Sasa

Beauty Journey
美麗旅程

2024/25
ANNUAL REPORT

Sa Sa International Holdings Limited
STOCK CODE: 178

About Sa Sa

Established in 1978, Sa Sa is a leading beauty product retailing group in Asia.

Listed on the Main Board of The Stock Exchange of Hong Kong Limited in 1997 (Stock code: 178), our business covers Hong Kong and Macau, Mainland China and Southeast Asia. We position ourselves as one-stop beauty product specialty platform with a business focus on "Beauty". We provide diverse and quality products under more than 600 brands ranging from skincare, fragrance, make-up, hair care and body care, inner beauty and health products as well as beauty equipment.

Our diversified e-commerce platforms offer round-the-clock online shopping services along with comprehensive product information to customers from different countries. In line with the new retail era, we are integrating our physical and online business presence, striving to provide a customer-centric omni-channel shopping experience.

The Company is included in the FTSE Index Series, MSCI Index and S&P Index Series.

Our Vision

Making Life Beautiful

Our Mission

Realising our "Making Life Beautiful" vision, we:

- Deliver reasonable returns to our shareholders
- Empower our employees to pursue personal and career prospects
- Develop strategic mutually beneficial partnerships with our suppliers and business partners
- Offer our customers quality and diversified product offerings with enjoyable shopping experiences
- Create positive social impact by actively participating in community service

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FINANCIAL HIGHLIGHTS

Highlights (HK$ Million)	2024/25 Financial Year	Year-on-year change
Turnover	3,941.7	-9.7%
Gross profit	1,570.7	-11.9%
Gross profit margin (%)	39.8%	-1.0 ppt
Recurring profit*	107.0	-51.1%
Profit for the Year	77.0	-64.8%
Core earnings per share (HK cents)*	3.5	-3.6
Basic earnings per share (HK cents)	2.5	-4.6
Final dividend per share (HK cents)	1.7	
Dividend payout ratio	~70% of core profit for the Year	

* Exclude provision for closure costs of retail stores in Mainland China

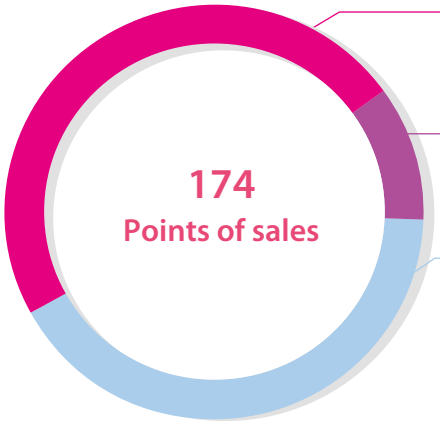
Solid Financial Position

(as of 31 March 2025)

Total cash balance	HK$371.1 million	-HK$86.7 million YoY change
Total available funds	HK$686.8 million	
Current ratio (times)	1.6	

Our Footprint in Asia

As of 31 March 2025

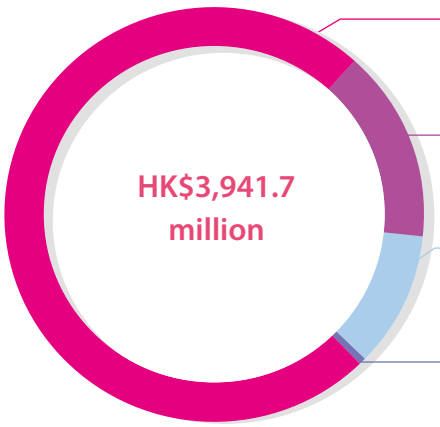


Hong Kong & Macau	Offline Sales Change
84	**-12.9%**
Mainland China*	Offline Sales Change
18	**-38.2%**
Southeast Asia	Offline Sales Change
72	**+15.4%**

* The retail sector is predominantly online, therefore the Group plans to focus on online business and close all physical stores by 30 June 2025.

Group Geographical Sales Mix

For the year ended 31 March 2025



Hong Kong & Macau	**75.9%**
Mainland China	**13.2%**
Southeast Asia	**10.6%**
Others	**0.3%**
Total	**100.0%**

Beautiful Services

Shop Simple

Sa Sa is dedicated to providing customers with comprehensive and professional beauty advice for inside-out wellness. We provide a diverse selection of quality brands and authentic products in the globe and commit to a 30-day purchase guarantee with assured product and service quality.

Eleanor
- Herb Garden -
ULTRA LIGHT AQUA
SUN ESSENCE
SPF 50+ PA++++
Eleanor
LUXURY
BEAUTY ELIXIR

Beautiful Experiences

Enjoy Shopping

Adhering to customer-centric approach, Sa Sa leverages the power of digitalisation to understand customer preferences and market trends effectively. Equipping with our team of skilled beauty consultants allows us to deliver personalised service and product choices through our integrated OMO sales network.

어용감
Youth Vitality
Revival Ginseng Facial Oil
어용감
Youth Vitality
Activating Serum
어용감
Youth Vitality
Reviving Activating Serum Mask
어용감
Youth Vitality
Reinforcing Cream
어용감
Youth Vitality
Reinforcing Royal Cream

Beautiful Platforms

Link More

We are actively seeking partnerships with emerging and niche brands to create synergies and develop these brands with the brand owners. We review product portfolio to curate a selection of skincare and personal care products in line with trend.

SUISSE
PROGRAMME
THE RICH SERUM
LA SÉRUM RICHE
SUISSE
PROGRAMME
-ADVANCED-
CELLULAR
BOOSTING SOLUTION
SOLUTION COUP DE
FOUET CELLULAIRE
SUISSE
PROGRAMME
THE RICH CREAM
LA CREME RICHE
SUISSE
PROGRAMME
THE RICH EYE CREAM
LA CREME RICHE POUR LES YEUX

OUR MILESTONES

Pre-listing

1978

- Mrs Eleanor Kwok and Mr Simon Kwok began their cosmetics retail business from a 40-sq. ft. "Sa Sa" counter in Hong Kong.

1990

- First "Sa Sa" standalone highstreet store in Causeway Bay, Hong Kong.

1992

- First branch store in Tsim Sha Tsui, Hong Kong.

Post-listing

1997

- Listed on the Main Board of the Hong Kong Stock Exchange in June with an oversubscription rate of more than 500 times.
- First store in Macau.

1998

- First store in Malaysia.

2000

- Launch of Sasa.com to offer round-the-clock online shopping of beauty products.

2002

- Appointed as sole agent for a leading global prestige brand, Elizabeth Arden, in Hong Kong and Macau.

2004

Sasa Ladies' Purse Day 莎莎婦女銀袋日

- Title sponsor for the "Sa Sa Ladies' Purse Day" of Hong Kong Jockey Club, blending beauty and fashion into horse racing as a prominent sports event.

2005

- First store in Shanghai, Mainland China.

2006

- First Suisse Programme beauty counter in Mainland China.

2009

- First Suisse Programme specialty store in Hong Kong.

2013

- "Sa Sa Making Life Beautiful Charity Fund" was founded.

Digitalisation

2015

- The Group launched a new brand image, with three women's side silhouettes echoing the brand to care for women at different ages, making them always beautiful.

Digitalisation

2016

- Strategic partnership with Tencent and JD Group.
- First O2O Store opened in Shanghai.

2017

- Sa Sa Mall was launched on WeChat.
- Grand opening of Sa Sa's e-shop on Tmall Global, Koala and Xiaohongshu.
- Launch of house brand – Eleanor in Hong Kong.

2018

- 40th anniversary of the Group. Brand new "Sa Sa 40th Anniversary • Beauty Land" pop-up store, new store image and uniform design were launched.

- The Group launched the co-branded "BOC Sa Sa Dual Currency Credit Card" with Bank of China (Hong Kong) and Union Pay International.

- Collaboration with Taobao Global.
- Sa Sa store debuted at Hong Kong West Kowloon Station of Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section) to leverage the development of the Greater Bay Area.

2019

HKTV mall

- Opening of Sa Sa Hong Kong Flagship Store on HKTVmall.
- Launched WeChat mini-programme.

2020

- Partnership with Shopee opening first Sa Sa Official Store in Southeast Asia.

Shopee

2021

- Launch of Sa Sa's first official store on Lazada.
- Launch of Sa Sa's Overseas Flagship Store on Douyin.

Lazada

2022

- Launched on foodpanda mall.
- Opening of Sa Sa Flagship Store on Neigbuy.com.

2023

- Returned to Singapore with the opening of first store.

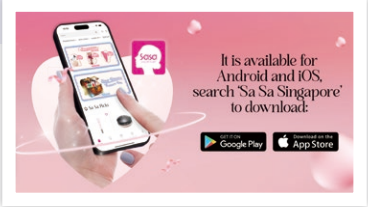
2024

- Opening of Sa Sa Beauty Academy in Central.
- Launched of Sa Sa flagship store on Zalora in Hong Kong, Singapore and Malaysia.
- Launched of Sa Sa flagship store on PDD.

ZALORA

2025

- Launch of Singapore website (sasa.sg) & Mobile app.
- Focus on the development of online business in Mainland China.



OUR AWARDS AND RECOGNITIONS

Corporate Governance and Management

Sa Sa was awarded the "Digital Transformation Corporate – Outstanding Award" in the Standard Chartered Corporate Achievement Awards 2024 co-organised by Standard Chartered and Hong Kong Economic Journal, recognising the Group's dedication to enhancing customer experiences, ERP and warehouse logistics through advanced technology.

Sa Sa clinched "Good MPF Employer", "e-Contribution Award" and "MPF Support Award" at the Good MPF Employer Award 2023-24 by Mandatory Provident Fund Schemes Authority (MPFA).

Sa Sa received the "Certificate for Excellence in Investor Relations" in the "IR Magazine Awards – Greater China 2024" by the internationally renowned IR Magazine.

Furthermore, the Group has clinched "Best IR Company" and "Best ESG (E)" at the 10th Investor Relations Awards by the Hong Kong Investor Relations Association.

Brand Recognition

Sa Sa was honoured as "Excellence in Customer Experience (Beauty Care category)" in the "Excellence in Living Smart Award 2024" by Mingpao.com.

Service Excellence

Sa Sa received four accolades from the Hong Kong Retail Management Association ("HKRMA") in the "Service Talent Award" and "Hong Kong Shopping Festival • Courtesy Store" 2024:

Service Talent Award 2024

- My Favourite Outstanding Service Retail Brand (Top 10)
- Individual Silver Award – Junior Frontline Level (Beauty & Healthcare Products)
- Excellent Service Star – three teammates

Hong Kong Shopping Festival • Courtesy Store 2024

- Courtesy Store (Health, Beauty and Well-being) – Store in Russell Street, Causeway Bay

Sa Sa has been recognised as one of the "Top Twenty Finalists" of O+O Retails category in Digital EX Awards 2024 organised by Metro Broadcast.

E-commerce & Innovation

Sa Sa Dot Com received three accolades from HKRMA in the "Top 10 O2O Retail Brand" and "Quality Trusted E-Shop Award" 2024:

Top 10 O2O Retail Brand 2024
- Top 10 O2O Retail Brand (Bronze)

Quality Trusted E-Shop Award 2024
- Top 10 Quality Trusted E-Shops
- The Best User Experience E-Shop Award

Sa Sa Dot Com was awarded the "Lazada Excellent Brand of the Year" in "2024 Seller Awards" jointly organised by Lazada, Daraz and Miravia.

Sa Sa WeChat mini-programme was awarded "Digital Enterprise of the Year 2024" in the "WeChat Open Class 2025".

Shopee:

Malaysia
- No. 5 Best-selling retailers under category "Pharmacies & Chain stores" on Double 11
- No. 5 Best-selling retailers under category "Pharmacies & Chain stores" on Double 12

Singapore
- No. 1 Best-selling retailers under category "Supermarkets & Retailers" on Double 12

Tmall

2024 Tmall Double 11 category list:
- TOP 1 in imported perfumes under 400 yuan (CK One perfume)
- TOP 1 in imported makeup primers (SOFINA Primavista Long Keep Base)
- TOP 4 in imported face powder (Laura Mercier Face Powder)
- TOP 4 in imported sheet masks (Sa Sa exclusive brand – sasatinnie Water Glow Essence Mask)

JD Global

2024 Recommended Collection of Good Stores
- Moisturising Facial Care Set Category

2024 JD.com best-selling list:
- Eye essence – TOP 3 in eye essence (L'Oreal Revita Lift Filler Ha Eye Cream For Face)
- Powder cleansers – TOP 2 in facial cleansers (Kanebo Cleansing Powder)
- Hair care essence – TOP 9 in hair care oil (Moroccan Oil)

Pinduoduo
- 2024 Return Customer Favourite Store

Corporate Social Responsibility

Our Executive Director, Ms Melody Kwok, received "Award of Excellence" in the Community Chest Annual Awards Ceremony 2024 on behalf of Sa Sa.

Sa Sa garnered the "InnoESG Prize 2024 – ESG Co-Creation Award" co-granted by UNESCO Hong Kong Association Glocal Peace Centre, Rotary Action Group for Peace and SocietyNext Foundation.

Sa Sa was honoured as "Quality Food Scheme ESG 2024 – Achievement" in the "Quality Food Scheme" by GS1 Hong Kong.

Sa Sa received "Best Sustainable Practices Award" and "Sustainable Retailer of the Year" at the Sustainable Restaurant and Retailer Award Ceremony by the Hong Kong Retail Technology Industry Association (RTIA) and the Hong Kong Smart Catering Association (SCA).

Sa Sa received the "ESG Special Recognition Award – with Merit" in "TVB ESG Awards 2024" by TVB.

Sa Sa was named as the Honourable Company of "Partner Employer Award 2024" organised by The Hong Kong General Chamber of Small and Medium Business.

友商有良 2024
Partner Employer Award 嘉許計劃
Awarded by The Hong Kong General Chamber of Small & Medium Business
香港中小型企業總商會頒發

Sa Sa has officially joined the Packaging Reduction Charter organised by the Environmental Protection Department of the HKSAR Government.

Sa Sa was honoured as "Consumer Caring Company" in the "Consumer Caring Scheme 2024" by GS1 Hong Kong for four consecutive years.

Being awarded the Caring Company logo for 19 consecutive years, Sa Sa received the "15 Year Plus Caring Company Logo" in 2024.

Sa Sa was accredited as "Super MD" from 2023 to 2025 in the "ERB Manpower Developer Award Scheme" by Employees Retraining Board (ERB).

Award & Recognition Presented to Sa Sa's Exclusive Products

Suisse Programme The Rich Cream

Southeast Asia

PIN Prestige 2024 Future Beaute The Skincare Awards (Editor's Pick) – Cream

Suisse Programme Advanced Cellular Boosting Solution IV

Hong Kong

Cosmo Cert

Cosmopolitan Best of the Best Beauty Awards 2024 – The Best Lotion and Treatment Essence

she.com Beauty Awards 2024 – The Best Treatment Lotion

Southeast Asia

Bella Beauty Heros 2024-2025 – Best Treatment Essence

PIN Prestige 2024 Future Beaute The Skincare Awards (Editor's Pick) – Serum for nutrition

Eleanor Ultra Light Aqua Sun Essence SPF50+ PA++++

Hong Kong

Cosmo Cert

Cosmopolitan Best of the Best Beauty Awards 2024 – The Best Sunscreen

sasatinnie Advanced Water Glow Essence Mask-3rd

Hong Kong

Cosmo Cert

Cosmopolitan Best of the Best Beauty Awards 2024 – The Best Face Mask

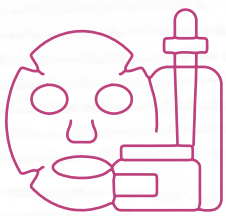
Mainland China

Beauty Evolution Certification of a Hundred Trial

Haruhada Sport UV Spray SPF50+ PA++++

Hong Kong

2024 @cosme Hong Kong Monthly Beauty Ranking Sunscreen NO.2



OUR STRATEGY

As the leading beauty and personal care retailer in Asia, Sa Sa is committed to a customer-centric approach. We leverage the power of digitalisation to capitalise on opportunities in the evolving retail landscape, enabling us to better understand customer preferences and market trends. Equipping an exceptional selection of global trend products and skilled beauty consultants allow us to deliver personalised service and a diverse range of product choices through our integrated online-merge-offline (OMO) sales network, realising our vision of "**Making Life Beautiful**".

A key theme in our culture is "as one". We ensure our operations, customer service, brand partnerships, and staff development are managed cohesively. To promote sustainable development, we incorporate environmental, social and governance (ESG) factors and objectives into our business management practices. For more information, please see pages 48 to 92 of our 14th Environmental, Social, and Governance report.

Three Key Development Pillars to "Making Life Beautiful"

Customer-Centric Approach

By harnessing digital technology, the Group gains deeper insights into the changing market and consumer preferences. This enables the Group to create precise combinations of the most suitable "brands" and "channels." Together with its professional team of beauty consultants, the Group aims to provide an outstanding shopping experience for its customers.

Sourcing Premium Global Trend Products

The Group prioritises the identification and cultivation of promising brands, working closely with influential brand owners and suppliers to create an appealing range of flagship products.

Seamless Omni-channel Shopping Experience

To cater to the diverse consumer habits across different regions, the Group establishes an economical sales network. By promoting engaging and varied interactions, the Group seeks to boost customer and member engagement, thereby increasing repeat purchase rates.

Customer-Centric Approach

Next-gen CRM for Personalised Service:	Integrating Sa Sa's CRM system across Hong Kong & Macau, Mainland China, and Southeast Asia and optimising member recruitment and registration processes can improve customer's shopping experience. The Group aims to enhance customer engagement through various interactive features, such as customer reviews, as well as promotional activities across different channels. By offering personalised value-added services – such as skin testing and tailored recommendations for makeup or skincare – Sa Sa enables customers to gain a more comprehensive understanding of the effectiveness of its products. This approach also allows Sa Sa to better understand consumer preferences and habits, thereby strengthening relationships with its customers. Additionally, the Group plans to introduce new technology to improve the overall shopping experience of our customers.
Enhancing Digital Management for Improved Decision-Making Accuracy and Agility:	Centralising the management of operational data (both financial and non-financial) at the Group level is able to implement a more comprehensive, data-driven management model. This approach allows for more effective monitoring of business performance and also enabling quicker and more precise decision-making in daily operations. It improves collaboration between departments and establishes clearer business objectives.
Strengthening the OMO Operating Model for a More Convenient Shopping Experience:	We are enhancing our technological capabilities and reinforcing partnerships with various third-party platforms, payment systems, and delivery service providers to offer a wider array of shopping and pickup options. Sa Sa's unique beauty consultants can provide personalised professional beauty advice through online live streaming, WeChat, and in-store services, ensuring a comprehensive omni-channel experience for customers.
Focusing on Talent Development and Establishing Two-Way Interaction Between the Company and Employees:	We aim to cultivate a warm and joyful family atmosphere for our employees, fostering two-way interaction to gain insight into consumer trends and changes from multiple perspectives. The Group is also continuously optimising its training programmes with AI technology to add value to our employees, and keeping them up with sustained exploration as well as skill development to full potentials, thereby truly embodying the spirit of "Joy at Sa Sa." For details on our talent development plan, please refer to pages 66 to 74.

Sourcing Quality Global Trend Products

Sa Sa provides a diverse selection of quality brands and authentic products in the globe to cater to diverse beauty needs. Our 30-day purchase guarantee for both online and offline customers has solidified Sa Sa's strong creditability and brand reputation over nearly half a century. The Group continually optimises its brand assortment and inventory management by leveraging an experienced procurement team and data analysis systems to adapt to evolving consumer preferences. This strategy aims to create an appealing lineup of brands – particularly exclusive ones – to attract new customers and enhance member repurchase rates.

Participated in HKSARG Intellectual Property Department's "No Fakes Pledge" Scheme for 20+ years

Recognised under "The Quality Tourism Services Scheme" by Hong Kong Tourism Board

Recognised under the "Hong Kong Q-Mark Service Scheme" by Hong Kong Q-Mark Service Council

All Sa Sa customers, purchased from offline stores or on online site, enjoy 30-day purchase guarantee

Creating Synergies with Brands and Suppliers:

As a multi-brand beauty product retailer, Sa Sa plays a unique role in establishing long-term, positive relationships with various international suppliers and business partners to create synergies. Through our omni-channel sales and social networks, we effectively communicate brand stories, offering customers a deeper understanding of the brands and products. Sa Sa also collects and provides valuable customer feedback that can help inform product development, pricing, and promotional strategies.

Sa Sa's Beauty Bash Brand Promotion Event in Malaysia »

Our extensive product portfolio covers a wide range of price points to meet the diverse needs of our customers. As of 31 March 2025, the Group offers:

Stock Keeping Units (SKUs)
9,000+

Diversified products with a price range of
HK$1 – HK$5,000

International beauty brands
600+

Exclusive brands
120+

Source types

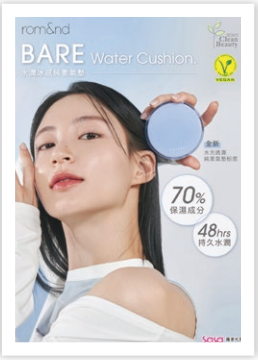
Exclusive Brands ***Local Supplies*** ***Parallel Imports***

Building a Strong Portfolio of Exclusive Brands:

Sa Sa has significant influence over the strategy, positioning, marketing, pricing, and sales channels of its exclusive brands. Our high-quality, market-valued exclusive brands attract and cultivate a loyal fan base, allowing us to stand out as a multi-brand retailer and attracting more brand partners, all while maintaining optimal profitability.

The Group's Latest Exclusive Brands and Roadshows

Make up brand "Cyber Colors"



Make up brand "rom&nd"

Skin care brand "Suisse Programme"

Fragrance brand "TOUS"

Fragrance brand "Mercedes-Benz"

"Suisse Programme The Rich Series" New Launch

Eleanor Enchanted Garden Brand Event

Sa Sa x Cell Fusion C Skincare Products Launch in Malaysia

Exclusive Brands

Skincare

Abib
Cell Fusion C
Dr.Jart+ SKIN. SCIENCE. ART.
肌つ子
Méthode SWISS BEAUTY CARE
SkinPeptoxyl
AHAVA
Cellcore
Eleanor
JENSANY
Neogence 霓淨思 LAB-DERMATOLOGICAL SKINCARE
sasatinnie
ALTEYA organics
CEMÔY
ElizabethArden NEW YORK
KLAPP SKIN CARE SCIENCE
NEUE PROFESSIONAL
Snp®
BANILA CO
CHRISTIAN LAURENT
어용감 한방
KOCOSTAR HOME BEAUTY TREATMENTS
NOV
Soo Beauté
BEAUTY OF JOSEON
COLLISTAR MILANO
GOONGBE 궁중비책
LACUES beauty by nature
SUISSE PROGRAMME
BTSlsb
Derma:B
La Estephe SWITZERLAND
Rexaline
VT COSMETICS
BYPHASSE
Dr.G MY SKIN MENTOR Dr.G
MAKHAMTHAI
SHANGPREE
VELLA
Haruhada ハルハダ
MÉTHODE JEANNE PIAUBERT
skin79
9wishes

Fragrance

Abercrombie & Fitch
DSQUARED2
HOLLISTER CALIFORNIA
PRINCESSE MARINA DE BOURBON PARIS
Reebok FRAGRANCES & PERSONAL CARE
ANGEL SCHLESSER
ElizabethArden NEW YORK
ICEBERG
Mercedes-Benz Perfume.
SCALPERS
BANANA REPUBLIC
FERRAGAMO
JAGUAR
NOU
TOUS
BENTLEY
GRÈS PARIS
john varvatos
PARIS HILTON
TRUSSARDI
BMW
Juicy Couture
PERRY ELLIS
VASILISA
CARVEN PARFUMS
GUESS
KORLOFF PARIS
PHILIPP PLEIN
VINCE CAMUTO
POLICE PARFUMS
CR7 CRISTIANO RONALDO
HALLOWEEN
MANDARINA DUCK
REAL TIME
women'secret FRAGRANCES

Make up

ABOUT TONE.
chosungah™
MUZIGAE MANSION
AMUSE
COLOR COMBOS
PUPA MILANO
AVANCÉ ROPPONGI HILLS
Cyber Colors
rom&nd
BANILA CO
dasique
sasatinnie
BBIA
Eleanor
SO'NATURAL for your skin

Personal Care

CRYSTAL SAFETY ARMED WITH CONFIDENCE
giovanni ECO CHIC HAIR CARE
Dimples
PERLIER
FRUDIA Derived from Fruit
NATURAL HAIRCARE PREVIA ITALIA

Inner Beauty

BB LAB
b.balance®
CareMagic
Konkabao® The Power From Nature
LEMONA
Nutrione
PURENEW harness your inner beauty

Beauty Equipment (non-exclusive)

NOWMI LAB
JUJY

Integrated Omni-channel Shopping Journey

Adhering to our "customer-centric" principle, we capitalise the opportunities brought by new retail with Sa Sa's strengths to increase investment in and manage the Group's online and offline stores as well as sales networks across various regions. The Group will leverage popular social media platforms, continuously exploring, developing, and evaluating the feasibility and efficacy of different online operational models to create the optimal shopping experience that caters to the needs of both customer and market.

The Group will exert the strengths of online platforms, such as live streaming, "endless aisles" in our online stores, and 24/7 operating models, to mitigate the limitations of offline operations and address diverse customer needs. Furthermore, we will closely monitor consumer trend patterns and strengthen our engagement and connections with our members and audience, thereby enhancing Sa Sa's influence on social media.

Offline Channels (Retail Stores)

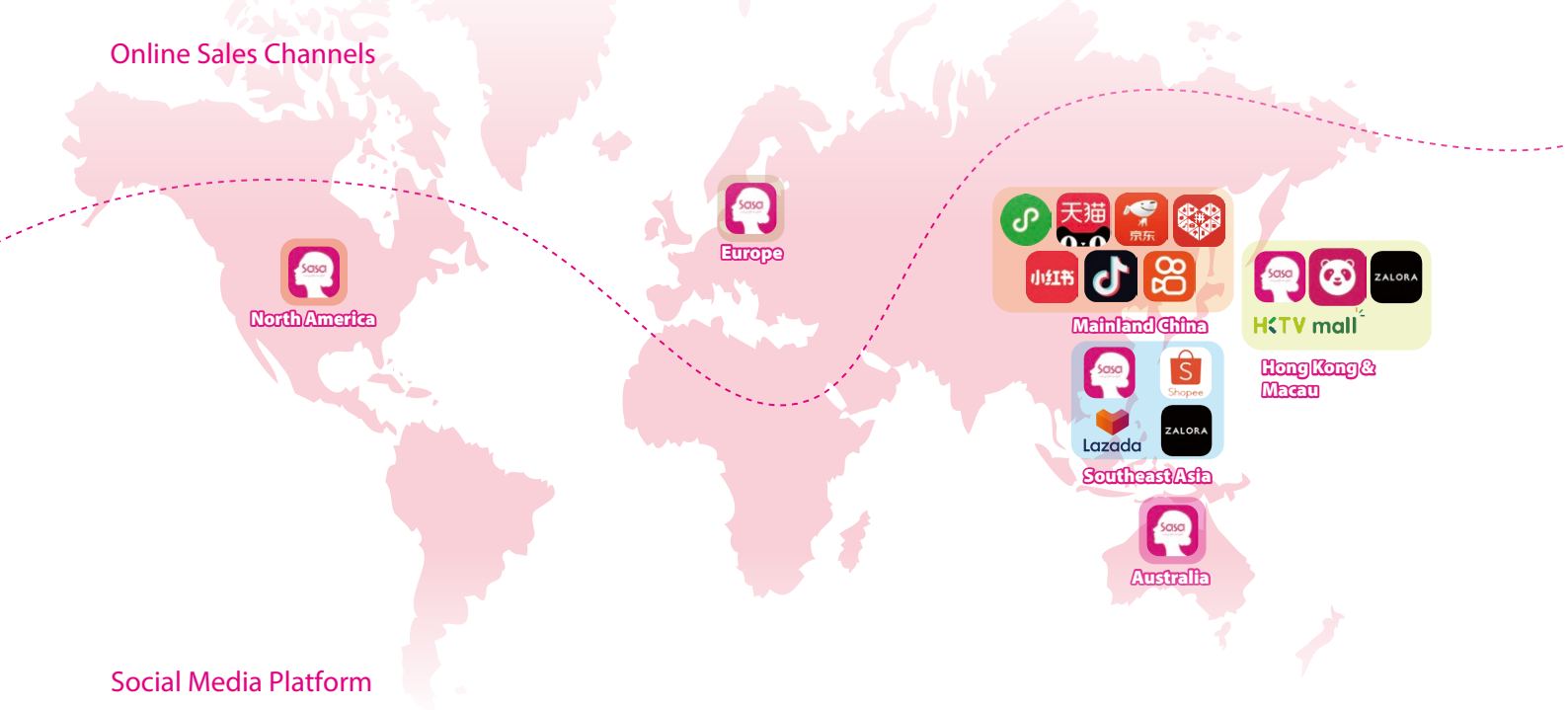
As at 31 March 2025, the Group has 174 retail outlets in the following geographies:

84
Hong Kong and Macau

18
Mainland China

72
Southeast Asia

Online Sales Channels



Social Media Platform

We stay connected with our customers via multiple social networking platforms, and share our latest company, brand, product, shop, and channel information.

TEN-YEAR FINANCIAL SUMMARY

For the year ended 31 Mar

Consolidated Income Statement

	< Note 2 & 5> **2025** **HK$'000**	< Note 2 > 2024 HK$'000	< Note 2 > 2023 HK$'000	< Note 2 > 2022 HK$'000	< Note 2 > 2021 HK$'000	< Note 2 > 2020 HK$'000	2019 HK$'000 Restated	2018 HK$'000 Restated	2017 HK$'000 Restated	< Note 1> 2016 HK$'000 Restated
Turnover										
– Continuing operations	**3,941,704**	4,367,496	3,500,525	3,412,727	3,043,029	5,717,283	8,156,597	7,806,163	7,350,349	7,314,151
– Discontinued operations	**–**	–	–	–	–	253,222	232,562	424,611	395,803	477,093
	3,941,704	4,367,496	3,500,525	3,412,727	3,043,029	5,970,505	8,389,159	8,230,774	7,746,152	7,791,244
Gross profit										
– Continuing operations	**1,570,682**	1,783,355	1,401,360	1,260,546	1,051,831	2,082,465	3,316,630	3,273,230	3,054,161	3,156,691
– Discontinued operations	**–**	–	–	–	–	121,659	104,439	195,112	174,657	216,137
	1,570,682	1,783,355	1,401,360	1,260,546	1,051,831	2,204,124	3,421,069	3,468,342	3,228,818	3,372,828
Gross profit margin										
– Continuing operations	**39.8%**	40.8%	40.0%	36.9%	34.6%	36.4%	40.7%	41.9%	41.6%	43.2%
– Discontinued operations	**–**	–	–	–	–	48.0%	44.9%	46.0%	44.1%	45.3%
	39.8%	40.8%	40.0%	36.9%	34.6%	36.9%	40.8%	42.1%	41.7%	43.3%
Operating profit/(loss)										
– Continuing operations	**106,332**	285,134	1,486	(328,096)	(391,481)	(553,425)	561,739	563,484	435,299	489,735
– Discontinued operations	**–**	–	–	–	7,922	(40,036)	(20,296)	(38,472)	(40,006)	(28,660)
	106,332	285,134	1,486	(328,096)	(383,559)	(593,461)	541,443	525,012	395,293	461,075
Profit/(loss) for the year										
– Continuing operations	**76,973**	218,883	58,247	(343,732)	(359,298)	(475,082)	490,917	479,778	366,476	411,841
– Discontinued operations	**–**	–	–	–	7,930	(40,854)	(20,165)	(39,658)	(39,771)	(28,371)
	76,973	218,883	58,247	(343,732)	(351,368)	(515,936)	470,752	440,120	326,705	383,470
Profit margin										
– Continuing operations	**2.0%**	5.0%	1.7%	–10.1%	–11.8%	–8.3%	6.0%	6.1%	5.0%	5.6%
– Discontinued operations	**–**	–	–	–	–	–16.1%	–8.7%	–9.3%	–10.0%	–5.9%
	2.0%	5.0%	1.7%	–10.1%	–11.5%	–8.6%	5.6%	5.3%	4.2%	4.9%

Consolidated Statement of Financial Position

Total assets	**2,326,127**	2,504,118	2,213,327	2,086,823	2,510,882	3,267,187	3,406,480	3,577,048	2,929,077	2,971,503
Total liabilities	**(1,168,384)**	(1,252,029)	(1,172,146)	(1,103,915)	(1,180,739)	(1,602,875)	(919,872)	(1,094,208)	(709,911)	(683,217)
Net assets	**1,157,743**	1,252,089	1,041,181	982,908	1,330,143	1,664,312	2,486,608	2,482,840	2,219,166	2,288,286
Shareholders' funds										
Share capital	**310,319**	310,319	310,319	310,319	310,319	310,319	309,560	303,885	299,444	289,213
Reserves	**847,424**	941,770	730,862	672,589	1,019,824	1,353,993	2,177,048	2,178,955	1,919,722	1,999,073
Total equity	**1,157,743**	1,252,089	1,041,181	982,908	1,330,143	1,664,312	2,486,608	2,482,840	2,219,166	2,288,286

TEN-YEAR FINANCIAL SUMMARY

For the year ended 31 Mar

Continuing operations

Turnover

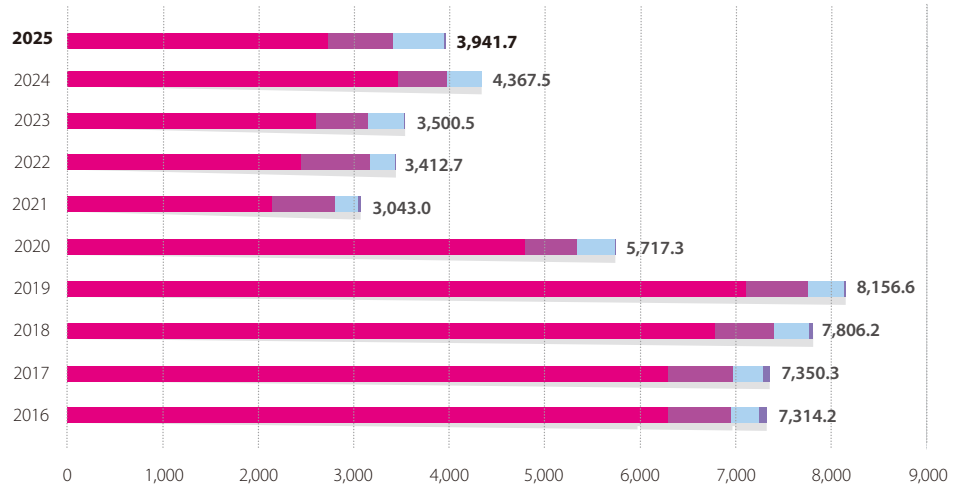
(HK$ million)

FY2022 – FY2025 CAGR◊:

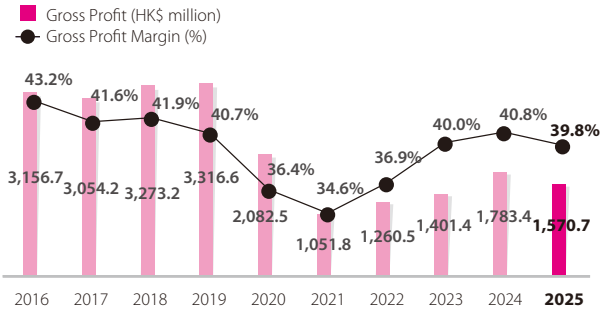
4.9%

- Hong Kong & Macau
- Mainland China
- Southeast Asia
- Others

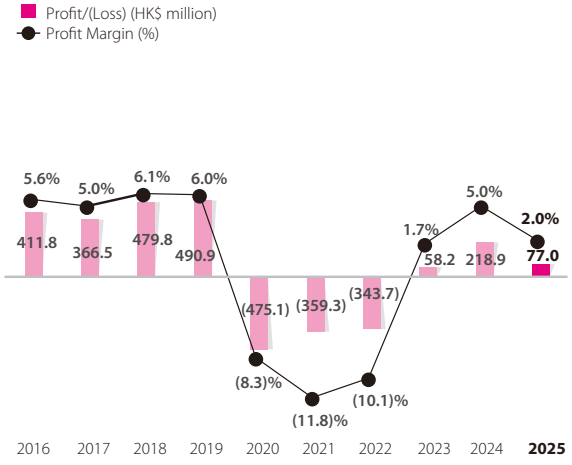
◊ Compound annual growth rate for the last three years



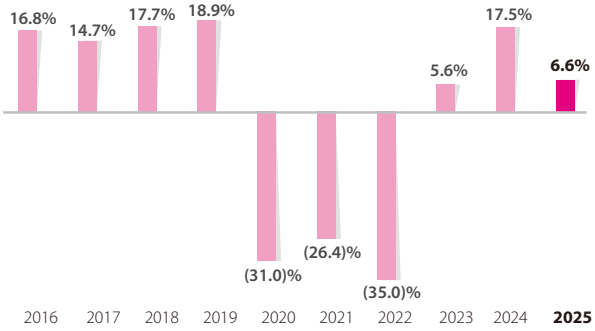
Gross Profit and Gross Profit Margin



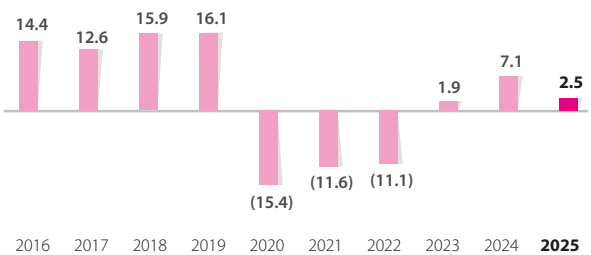
Profit/(Loss) and Profit Margin



Return on Equity
(Including discontinued operations)



Basic Earnings/(Loss) Per Share
(HK cents)



Consolidated Statement of Cash Flows

	< Note 2 & 5 > **2025** **HK$'000**	< Note 2 > 2024 HK$'000	< Note 2 > 2023 HK$'000	< Note 2 > 2022 HK$'000	< Note 2 > 2021 HK$'000	< Note 2 > 2020 HK$'000	2019 HK$'000 Restated	2018 HK$'000 Restated	2017 HK$'000 Restated	< Note 1> 2016 HK$'000 Restated
Net cash generated from/ (used in) operating activities (including payment of lease liabilities and interest) (Note 3)	**137,412**	253,589	144,593	(274,718)	(79,776)	(125,905)	346,233	748,214	356,723	578,922

Per Share Data and Key Ratios

Basic earnings/(loss) per share (HK cents)										
– Continuing operations	**2.5**	7.1	1.9	(11.1)	(11.6)	(15.4)	16.1	15.9	12.6	14.4
– Discontinued operations	**–**	–	–	–	0.3	(1.3)	(0.7)	(1.3)	(1.4)	(1.0)
	2.5	7.1	1.9	(11.1)	(11.3)	(16.7)	15.4	14.6	11.2	13.4
Diluted earnings/(loss) per share (HK cents)										
– Continuing operations	**2.5**	7.1	1.9	(11.1)	(11.6)	(15.4)	16.1	15.9	12.6	14.4
– Discontinued operations	**–**	–	–	–	0.3	(1.3)	(0.7)	(1.3)	(1.4)	(1.0)
	2.5	7.1	1.9	(11.1)	(11.3)	(16.7)	15.4	14.6	11.2	13.4
Return on equity	**6.6%**	17.5%	5.6%	–35.0%	–26.4%	–31.0%	18.9%	17.7%	14.7%	16.8%
Dividend per share (HK cents)										
Basic	**2.45**	5.0	–	–	–	–	16.0	14.5	13.0	14.0
Special	**–**	–	–	–	–	–	–	3.0	4.0	9.5
Total	**2.45**	5.0	–	–	–	–	16.0	17.5	17.0	23.5
Dividend payout ratio	**70%**	71%	–	–	–	–	105%	121%	155%	176%
Dividend yield as at 31 Mar	**3.9%**	6.0%	–	–	–	–	6.0%	4.3%	5.6%	9.8%
Closing share price as at 31 Mar (HK$)	**0.62**	0.83	1.84	1.39	1.78	1.16	2.68	4.06	3.06	2.41
Price/Earnings (times)	**25.0**	11.8	98.0	N/A	N/A	N/A	17.4	27.8	27.4	17.9
Net assets value per share (HK$)	**0.4**	0.4	0.3	0.3	0.4	0.5	0.8	0.8	0.7	0.8
Current ratio (times)	**1.6**	1.7	1.5	1.5	1.9	1.9	3.3	3.0	3.8	3.9
Gearing ratio (defined as the ratio of total borrowings to total equity)	**–**	–	2.9%	10.4%	–	–	–	–	–	–

Operational Data

	< Note 2 & 5> **2025** **HK$'000**	< Note 2 > 2024 HK$'000	< Note 2 > 2023 HK$'000	< Note 2 > 2022 HK$'000	< Note 2 > 2021 HK$'000	< Note 2 > 2020 HK$'000	2019 HK$'000 Restated	2018 HK$'000 Restated	2017 HK$'000 Restated	< Note 1> 2016 HK$'000 Restated
Number of retail outlets for the continuing operations	**174**	183	186	234	232	235	253	245	243	236
Total gross retail area for the continuing operations (rounded to the nearest thousand sq ft) (Note 4)	**340,000**	354,000	373,000	447,000	458,000	477,000	526,000	529,000	544,000	530,000
Stock turnover days	**103**	100	116	127	140	101	104	102	99	91
Number of employees (rounded to the nearest hundred)	**2,400**	2,700	2,600	3,100	3,200	3,700	4,700	4,800	4,900	4,900

Notes:

1) Prior to 1 April 2016, the Group recognised certain incentives received from suppliers as part of its revenue or offset against the Group's selling expenses. During the year ended 31 March 2017, the Group has revisited its arrangements with its suppliers and considered incentives received from suppliers for which the Group did not provide any separable identifiable promotion service, should be accounted for as a reduction of its cost of sales. Adjustments have been made to reclassify the comparative information to conform with the current year presentation.
2) The Group has adopted HKFRS 16 retrospectively from 1 April 2019, as permitted under the special transition provisions in the standard. Comparative information has not been restated, and thus comparative figures may not be comparable as comparative information were prepared under HKAS 17 "Leases".
3) The Group has adopted HKFRS 16 "Leases" from 1 April 2019, the payment of lease liabilities (including interest) are classified as financing activities rather than as operating activities in previous years.
4) The information on retail space provided is intended to allow the readers to appreciate the growth in retail network and the size of retail space only. As there are significant variation in sales per square foot between stores of different store sizes, as well as stores in different countries and location, the retail space information provided should not be used to analyse the trend on sales per square foot.
5) Excluding the one-off provision for closure costs of retail stores in Mainland China of HK$30.0 million, recurring profit for the year ended 31 March 2025 was HK$107.0 million and used to calculate dividend payout ratio.

CHAIRMAN'S STATEMENT

Looking ahead, we are dedicated to remaining agile with an aim of collaborating with the industry to strengthen Hong Kong's retail sector.

Dr KWOK Siu Ming Simon, *SBS, JP*
Chairman and Chief Executive Officer

Encountering the rapidly changing international geopolitical landscape, economic uncertainties, tariff issues, and shifts in tourist spending habits, the Group's business has remained resilient.

In the financial year 2024/25 (the "**Financial Year**" or the "**Year**"), the Group's total turnover reached HK$3,941.7 million with core profit of HK$107.0 million. Despite a decline compared to the previous year, the performance of offline turnover has shown quarterly improvement with the year-on-year decline narrowing from 20.1% in the first quarter to 4.4% in the fourth quarter.

These changes were attributed to the implementation of various economic and tourism stimulus measures and multiple-entry Individual Visit Scheme (IVS). Meanwhile, the Group has responded to market preferences adeptly by introducing trendy products, optimising brand portfolios, and enhancing product displays, which have boosted both customer traffic and sales performance.

During the first quarter of the Financial Year and the recent May Golden Week, we observed a stable and positive trend among tourists from **Hong Kong and Macau**, as well as in the overall market.

We aim to collaborate with the industry to strengthen Hong Kong's retail sector. Consumer confidence serves as a barometer for economic sentiment. We hope that the listing of more large-scale corporates in Hong Kong will bolster economic confidence, thereby increasing citizens' willingness to spend and benefiting the retail sector in return.

In **Mainland China**, the retail sector is predominantly online, accounting for 80% of the Group's operations in the region. Due to the ongoing economic adjustment and the anticipated continuation of a predominantly online retail landscape in Mainland China, we plan to focus on online business, particularly the cross-border e-commerce. The Group will close all physical stores by the end of June this year, with an aim of achieving profitability in our online business in Mainland China in the second half of the financial year 2025/26.

In **Southeast Asia**, both online and offline sales have recorded double-digit growth year-on-year during the Financial Year. Given the potential market fluctuations in the region due to tariff issues in 2025, we will continue to monitor the situation closely while strengthening Sa Sa's brand promotion locally and enhancing the OMO shopping experience.

The Board proposed paying a final dividend for the year of 1.7 HK cents per share. Total annual dividend amounted to 2.45 HK cents per share (2024: 5.0 HK cents), representing approximately 70% of core profit for the Year, indicating an optimistic outlook for the Group. The Group will seek to maintain a sustainable and steady dividend policy going forwards.

Finally, I would like to express my heartfelt gratitude to our people in Sa Sa. They continued to perform their duties professionally and steadfastly despite the uncertain global operating environment. Together, let us create a customer-centric and comprehensive shopping experience, achieving growth in both sales and gross profit while maintaining a stable gross profit margin to establish a sustainable and profitable business model.

Consolidated Income Statement for the Year Ended 31 March 2025

	Full year		First half		Second half	
	2025	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover	**3,941,704**	4,367,496	**1,920,543**	2,144,435	**2,021,161**	2,223,061
Cost of sales	**(2,371,022)**	(2,584,141)	**(1,164,078)**	(1,263,959)	**(1,206,944)**	(1,320,182)
Gross profit	**1,570,682**	1,783,355	**756,465**	880,476	**814,217**	902,879
Other income	**24,312**	34,063	**13,396**	17,897	**10,916**	16,166
Selling and distribution costs	**(1,257,955)**	(1,300,359)	**(614,204)**	(643,375)	**(643,751)**	(656,984)
Administrative expenses	**(235,597)**	(227,822)	**(111,084)**	(115,292)	**(124,513)**	(112,530)
Other gains/(losses) – net	**4,890**	(4,103)	**6,272**	(4,640)	**(1,382)**	537
Operating profit	**106,332**	285,134	**50,845**	135,066	**55,487**	150,068
Finance income	**14,161**	9,012	**7,430**	3,220	**6,731**	5,792
Finance costs	**(28,579)**	(27,399)	**(14,398)**	(12,576)	**(14,181)**	(14,823)
Profit before income tax	**91,914**	266,747	**43,877**	125,710	**48,037**	141,037
Income tax expenses	**(14,941)**	(47,864)	**(11,469)**	(23,288)	**(3,472)**	(24,576)
Profit for the year attributable to owners of the Company	**76,973**	218,883	**32,408**	102,422	**44,565**	116,461

Our Business

Headquartered in Chai Wan, Hong Kong, the operations of Sa Sa International Holdings Limited ("**Sa Sa**" or the "**Company**") and its subsidiaries (the "**Group**") cover online and offline retail and wholesale sales channels in Hong Kong and Macau, Mainland China, and Southeast Asia, and online sales in certain locations in the rest of the world. The Group has regional offices in Kuala Lumpur, Malaysia and Shanghai, China.

Adhering to our mission of *"Making Life Beautiful"*, the Group is dedicated to providing customers with comprehensive and professional beauty advice, addressing both inner and outer well-being. To cater to the diverse "beauty" needs of our customers, Sa Sa not only offers a wide range of products spanning the three main categories skincare, fragrance and make-up, but also optimises our product portfolio by introducing new categories, including inner beauty and health products, personal care (hair & body) as well as beauty equipment in response to evolving market trends.

The Group's supply chain management organisation manages warehouses in Hong Kong and Malaysia, and third-party warehouses in Mainland China and Singapore. The Group has invested in supply chain innovation, digitalisation, and sustainability to drive efficiency and support quality standards, including a 30-day return policy to the Group's customers. The Group has enhanced its e-commerce handling capacity through deployment of automated guided vehicles ("**AGV**"). These investments enable and support the Group's e-commerce operations beyond its core home markets and into Southeast Asia and Australia.

The Group is laser-focused on managing its product offerings by reviewing its core product categories and ensuring that it carries trending brands and products. The Group is actively seeking partnerships with emerging and niche brands to enhance its portfolio of exclusive brands and develop these brands with the brand owners. The Group's standards of excellence in retail management and unique team of professional beauty consultants make it an ideal partner for brands looking for a presence in Asia and for professional beauty consultants to effectively communicate their brand story directly to consumers.

MARKET OVERVIEW

Chart 1: GDP/Retail Sales/Medicines and Cosmetics Sales in Financial Year 2024/25* (year-on-year change)

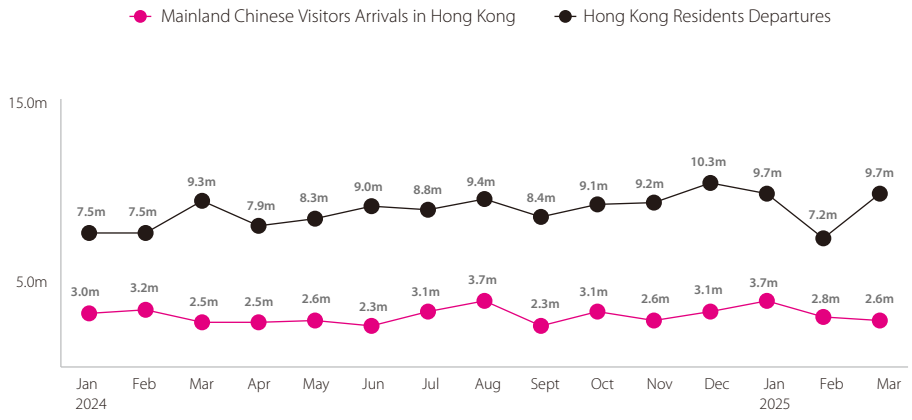
Market (Apr 2024 – Mar 2025)	GDP Change Rate	Retail Sales Change	Medicines and Cosmetics Sales Change
China:			
Hong Kong	+5.8%	-8.6%	+0.4%
Macau	+3.0%	-15.7%	-16.8%
Mainland China	+5.8%	+3.2%	+3.6%
Southeast Asia:			
Malaysia	+5.1%	+6.5%	*Note 1* *Note 3*
Singapore	+7.4%	+0.5% *Note 2*	+2.3%
The Philippines	+8.4%	+9.8%	*Note 1 & 2*

Notes:

1. There were no medicines and cosmetics retail sales statistics provided by the Malaysian and the Philippines Governments.
2. This is the figure of Retail Trade, except motor vehicles and motorcycles, provided by the Government of the Philippines.
3. "Cosmetics, toiletries and medical goods" as classified by the Government of Singapore.

* All the above data were sourced and extrapolated from statistics published by the corresponding governments' statistics bureaus. There are some inconsistencies in the definition of cosmetics retail sales in the methodologies adopted by different government statistics bureaus in conducting statistics on such sales.

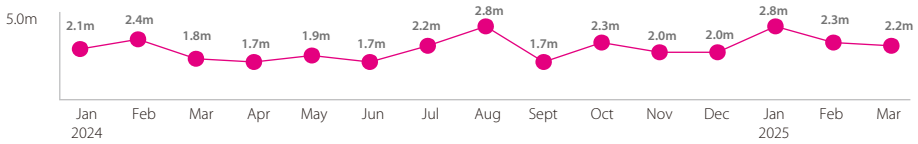
Chart 2: Mainland Visitor Arrivals vs Hong Kong Residents Departure in Hong Kong (in million)



Source: Hong Kong SAR Census and Statistics Department & Hong Kong Immigration Department

Note: "Hong Kong" refers to "The Hong Kong Special Administrative Region of China" and "Macau" refers to "The Macau Special Administrative Region of China".

Chart 3: Mainland Visitor Arrivals in Macau (in million)



Source: Government of Macao SAR and Census Service

During the year ended 31 March 2025 (the "**Financial Year**" or the "**Year**"), the global economy continues to face challenges arising from heightened geopolitical tensions, such as the resurgence of inflation in the United Kingdom and the United States (the "**US**"), China's deflation, and the impact of political instability in some major economies. Tariff issues between countries have also affected the liquidity of international trade, prompting enterprises to realign their production and supply chain strategies, resulting in increased volatility in import and export activities. Furthermore, currency fluctuations and the tariffs imposed by the US further increased cost pressures on global trade operations.

Hong Kong & Macau

Northbound Travel Trends Becomes the Norm, Impacting Customer Traffic and Spending in Hong Kong and Macau

While there was a spike in northbound travel by local Hong Kong residents to Southern China as it stepped up its pace in its integration into the Greater Bay Area, the travelling numbers appeared to have settled down at current levels and has become part of the norm. During the Financial Year, Hong Kong and Macau welcomed 45.5 million and 35.9 million visitors respectively, with Mainland Chinese tourists accounting for 34.6 million and 25.6 million, making them the primary source of tourism for both regions. While the Macau SAR government hasn't released data on local residents travelling north, figures from the Hong Kong Immigration Department indicated that monthly northbound trips by Hong Kong residents exceeded inbound Mainland Chinese tourist numbers by approximately six to seven million. Conversely, the number of Mainland Chinese tourists visiting Macau has remained stable (see Charts 2 and 3).

The Progressive Implementation of Visa Policies, Such as "Multiple-entry Individual Visit Scheme (IVS)" and "One Trip per Week," Injects Momentum into the Hong Kong and Macau Tourism and Retail Sectors

From 6 May 2024, Mainland Chinese citizens became eligible to apply for IVS permits to visit Macau, while Shenzhen resumed its IVS for Hong Kong travel on 1 December 2024. Starting from 1 January 2025, Zhuhai implemented "one trip per week" policy, and the Guangdong-Macao In-Depth Cooperation Zone in Hengqin also allowed IVS to Macau. The Group believes that the positive impact of these measures on the tourism and retail industries in Hong Kong and Macau will take time to fully realise. Moreover, the continued northbound travel and outbound tourism of Hong Kong residents, coupled with a persistently strong US dollar leading to a reduced spending by tourists in Hong Kong and Macau, could potentially diminish the actual benefits brought by these policies.

Mainland Chinese Tourists Embrace Niche Brands, Creating Opportunities for Exclusive Brand Development

Travel habits of Mainland Chinese tourists in Hong Kong and Macau have changed, showing a preference for experiential travel rather than shopping-centric trips. The Group has observed that these travellers are more inclined to explore lesser-known brands that offer functionality and value-for-money. This shift in consumer preference enables the Group's beauty consultants to promote our exclusive brands, foster customer loyalty, and ultimately secure higher profit margins.

Labour Shortages, High Rents and Operating Costs Pose Challenges for Local Retailers

The Group remains cautiously optimistic about the Hong Kong and Macau markets. However, the Hong Kong and Macau SAR Governments need to address the local labour shortage to maintain high service standards and accommodate customers during nighttime. In June 2023, the Hong Kong SAR Government launched the Supplementary Labour Scheme with the intention of importing labour from Mainland China. Easing the labour shortage by this initiative does not reduce costs for employers. A significant challenge lies in the scheme's requirement that participating employers pay foreign workers wages comparable to local employees and provide accommodation in Hong Kong, substantially increasing overall costs. Corporates need to balance the pressure of cost inflation and shortage of labour to deliver profitable performance.

Mainland China

The Mainland Chinese Government's Pro-Growth Measures Fuel the Market Development

Persistent geopolitical tensions and Western nations' efforts to diversify away from Mainland China continue to weigh on foreign direct investment and exports activities. While economic stimulus efforts face headwinds, the introduction of various economic stimulus and job retention measures in Mainland China, beginning in September 2024, has improved market liquidity and boosted trading activity in Hong Kong's stock and capital markets, sending positive signals for the coming year.

In 2024, China's GDP reached RMB132.3 trillion, reflecting a year-on-year increase of 5.0%. Of which, total retail sales of consumer goods in China rose by 3.5% compared to the previous year. The total transaction value of the Chinese cosmetics market was approximately RMB1.1 trillion, representing a year-on-year increase of 2.8%.

Intense Competition and a Shakedown Period in the Beauty Retail Sector, with Functional and Niche Beauty Products Gaining Traction

Amid the fiercely competitive business environment, beauty retailers are adjusting their operating models by optimising the balance between online and offline stores to enhance economic efficiency. Short, high-frequency, and fast-paced online content has become the predominant sales approach in Mainland China. The market increasingly favours value-for-money products, particularly those with functionality (including synthetic biology, recombinant collagen, and medical aesthetics), rather than established big name brands. This trend is creating opportunities for domestic and niche brands.

Southeast Asia

Southeast Asia's Economy Further Recovers, But Tariff Issues Introduces Greater Uncertainty into Trading Activities

In 2024, Southeast Asian economies continued to rebound, with Singapore's GDP growth rate reaching 4.0%, surpassing market expectations. Malaysia's GDP increased by 5.1% year-on-year in 2024, meeting the local government's target and reflecting consumer and investor confidence in the country's economic outlook.

However, since 2025, the issue of tariffs began to impact Southeast Asian nations and regions, adding substantial uncertainties to local trade and import-export business. Local enterprises are increasingly concerned that these tariffs may undermine existing trade agreements, elevate commodity costs, and potentially hinder the pace of economic growth.

Digital Economy Flourishes in Southeast Asia with High Internet Penetration and Robust E-commerce Growth

Southeast Asia has a total population of approximately 600 million, with approximately 80% being internet users, underscoring the growing significance of the digital economy in the region. In 2023, the region achieved double-digit growth in both gross merchandise volume (GMV) and turnover, with e-commerce becoming a primary channel for business expansion. The turnover generated by the beauty and personal care sector ranked among the top five in the region's business-to-consumer (B2C) sector.

BUSINESS OVERVIEW

FINANCIAL PERFORMANCE SUMMARY

Chart 4: Turnover by Market in Financial Year 2024/25

HK $ Million	Offline	Online	Turnover	Year-on-year change (%)	% to Group Turnover (%)
Hong Kong & Macau	$2,792.2	$199.6	$2,991.8	▼ 12.3%	75.9% (LY: 78.1%)
Mainland China	$102.6	$417.9	$520.5	▼ 10.5%	13.2% (LY: 13.3%)
Southeast Asia	$331.5	$88.1	$419.6	▲ 14.7%	10.6% (LY: 8.4%)
Others	–	$9.8	$9.8	▼ 5.8%	0.3% (LY: 0.2%)
Total	$3,226.3	$715.4	$3,941.7	▼ 9.7%	100.0%

Chart 5: Breakdown of Offline Turnover (by Market)

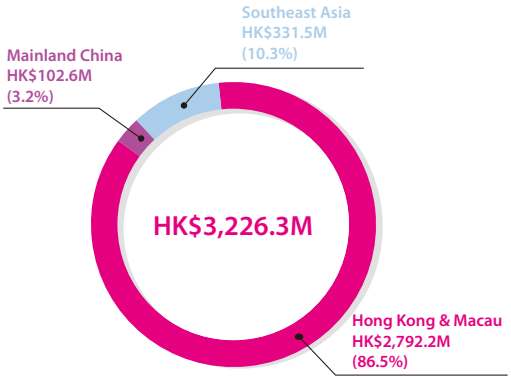
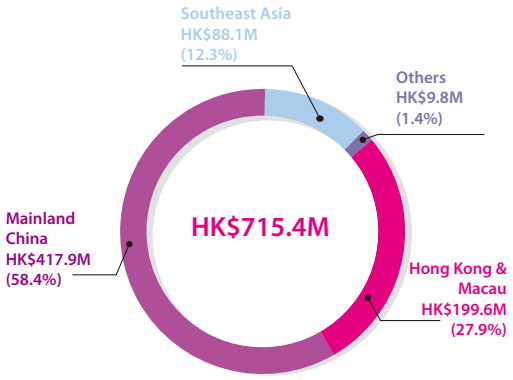


Chart 6: Breakdown of Online Turnover (by Market)



During the Financial Year, the Group's turnover reached HK$3,941.7 million, a decrease of 9.7% compared with the previous year. Offline sales reached HK$3,226.3 million, with a notable improvement in performance from the initial decline of 17.4% in the first half, reducing to 6.2% in the second half. This trend was driven by the continued resurgence of Mainland Chinese tourists in the Group's core Hong Kong and Macau markets, along with the Group's strategic efforts to optimise its offline store network and product portfolio in response to market change to enhance sales execution. The year-on-year decline of offline sales during the Financial Year was contained to approximately 11.9%. As of March 31, 2025, the Group operated 174 physical stores, a net reduction of nine stores compared to the previous year, with offline operations accounting for 81.9% of total turnover.

Online sales increased marginally by 1.2%, totalling HK$715.4 million. This was primarily attributed to the growth of the Group's third-party e-commerce platforms in the Southeast Asian market, recording a 12.4% year-on-year increase. The economy in Mainland China remains sluggish, prompting the Group to adjust its local online strategy, resulting in performance that is largely consistent with last year, while online sales in Hong Kong and Macau exhibited stable growth. Online sales accounted for 18.1% of the Group's total turnover.

Shifting consumer preferences towards value-driven purchases, the strong US dollar, and increasing economic uncertainties brought by trade tariffs, led to more cautious spending by tourists visiting Hong Kong and Macau, putting pressure on the Group's gross profit margins. During the Financial Year, the Group's gross profit was HK$1,570.7 million, a decrease of 11.9% year-on-year, resulting in a gross profit margin of 39.8%. Sales and distribution costs as well as administrative expenses, as percentages of turnover, increased from 29.8% and 5.2% to 31.9% and 6.0%, respectively.

Excluding the one-off provision for closure costs of retail stores in Mainland China of HK$30.0 million, recurring profit during the Financial Year was HK$107.0 million. (2024: HK$218.9 million).

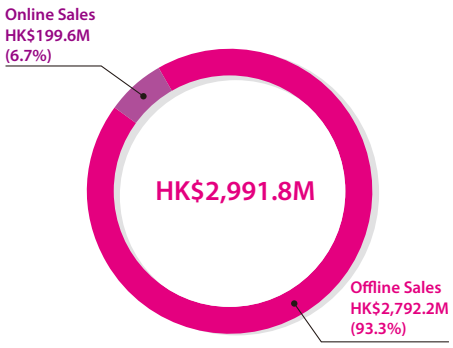
The Group's total cash balance at 31 March 2025 was HK$371.1 million (2024: HK$457.8 million) and is adequate for the Group's needs. Net cash generated from operating activities (less the payment of lease liabilities and interest) for the Financial Year was HK$137.4 million (2024: HK$253.6 million), aligning with the downward trend in both turnover and profit. Investment in capex was HK$59.3 million mainly for IT investment, new stores and existing store upgrades.

Core earnings per share was 3.5 HK cents while basic earnings per share amounted to 2.5 HK cents (2024: 7.1 HK cents). The Board resolved to pay a final dividend for the Year of 1.7 HK cents per share. Total annual dividend amounted to 2.45 HK cents per share (2024: 5.0 HK cents), representing approximately 70% of core profit for the Year, indicating optimistic outlook for the Group. The Group will seek to maintain a sustainable and steady dividend policy going forwards.

1. Hong Kong & Macau

Outbound Travel of Hong Kong and Macau Residents Dampen Spending Power; Despite Tourist Volume Continues to Recover, Cautious Tourist Spending Due to Strong US Dollar Results in a 12.3% Decrease in Hong Kong and Macau Turnover to HK$2,991.8 Million

Chart 7: Turnover in Hong Kong & Macau (by Online and Offline Channels)



Hong Kong and Macau constitute Sa Sa's largest market. In addition to providing local customers with an extensive range of beauty and personal care products and services, the Group also serves as a hot shopping destination for tourists visiting the region. During the Financial Year, online and offline turnover in Hong Kong and Macau accounted for 75.9% of the Group's total turnover, reaching HK$2,991.8 million, and generating a profit of HK$128.6 million compared to HK$233.8 million in the previous year, which represented a year-on-year decrease of 45.0%. The online and offline sales in the region will be further elaborated upon in the following sections.

Offline Sales

Hong Kong and Macau

Chart 8: Same-store Sales Growth

(Year-on-Year Change)

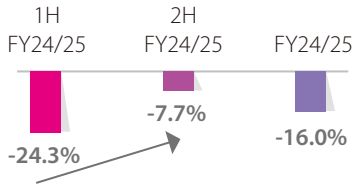
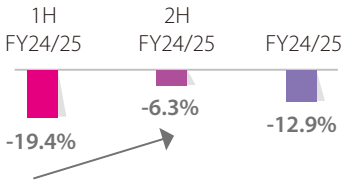


Chart 9: Offline Sales Performance

(Year-on-Year Change)



Note: 1H: Apr – Sept; 2H: Oct – Mar

Hong Kong

Chart 10: Same-store Sales Growth

(Year-on-Year Change)

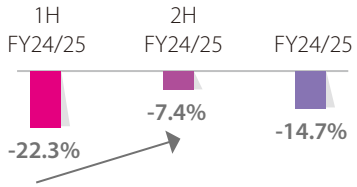
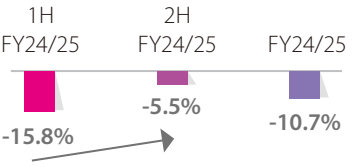


Chart 11: Offline Sales Performance

(Year-on-Year Change)



Note: 1H: Apr – Sept; 2H: Oct – Mar

Macau

Chart 12: Same-store Sales Growth

(Year-on-Year Change)

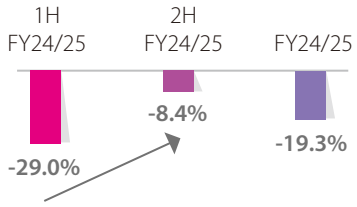
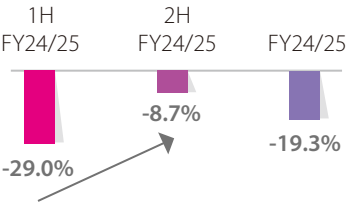


Chart 13: Offline Sales Performance

(Year-on-Year Change)



Note: 1H: Apr – Sept; 2H: Oct – Mar

The Norm of Residents of Hong Kong and Macau Tripping North to Mainland China and Abroad Affects Offline Sales

The continued outbound travel of Hong Kong and Macau residents has impacted local customer traffic. Additionally, the strong US dollar has resulted in cautious spending by tourists in both regions, impacting offline turnover.

Sa Sa Introduces Trendy Products and Optimise Brand Portfolio in Response to Market Change, Enhancing VIP Customer Loyalty; Tourism Stimulus Measures Improve Customer Traffic, Significantly Narrowing the Year-on-Year Decline in Offline Sales from 19.4% in 1H to 6.3% in 2H

In response to these challenges, the Group remains dedicated to sourcing trending products aligning with market needs and optimising our product portfolio. By introducing sought-after items such as inner beauty and health products and beauty equipment, we aim to attract more traffic and increase customer spending. In addition, the Group enhanced service quality through Sa Sa's professional beauty consultants to improve customer loyalty and repurchase rates. The Group also complemented promotions across various channels, including online platforms like Facebook, Instagram, Threads, as well as offline in-store, to draw customer traffic.

In the second half of the Financial Year, the Group saw improvement in both customer traffic and sales, thanks to the implementation of various economic and tourism stimulus measures and visa policies introduced by the Central Government promoting visits to Hong Kong and Macau from Mainland China.

The year-on-year decline in the Group's offline sales in this market gradually narrowed, improving from 19.4% in the first half to 6.3% in the second half, with an overall decline managed to approximately 12.9%. While same-store sales narrowed from 24.3% in the first half of the Financial Year to 7.7% in the second half, leading to an overall decline of approximately 16.0%.

Approximately 37.1% and 78.2% of the Group's sales in Hong Kong and Macau were from tourists respectively. On a combined basis 47.6% of the Group's offline sales were from tourists compared to approximately 74% pre-pandemic period.

Number of stores

Market	As at 31 Mar 2024	Opened	Closed	**As at 31 Mar 2025**
Hong Kong & Macau	82	2	–	**84**

The Group is committed to continually enhancing its store aesthetics to provide customers with improved shopping experience. As the Group's core market, Hong Kong and Macau are poised to benefit from the further increase in tourist arrivals driven by the IVS Policies and mega event economy. The Group will strategically expand and optimise its store network in the region, provided that rental costs are reasonable and economically viable.

As of the Financial Year ended 31 March 2025, the Group operated 84 stores in Hong Kong and Macau, including two new stores opened at Hopewell Centre in Wan Chai, Hong Kong, and at The Kai Tak Mall in Kowloon. Tourist traffic from Mainland China is primarily concentrated in Tsim Sha Tsui, Causeway Bay, Mong Kok, and the West Kowloon area, a key hub for cross-border travel. The Group currently operates 26 stores in these core tourist areas of Hong Kong and Macau (pre-pandemic: 45 stores).

The Group operated nine stores in Macau. Four were located in downtown area near major tourist attractions, three were within hotel resort complex and two were in local areas. These stores are larger in size which allow greater customer reception capacity.

Online Sales – Hong Kong and Macau

Sa Sa Online Penetration in Hong Kong and Macau increased from 0.1% pre-pandemic to 6.7%

During the Financial Year, online turnover in Hong Kong and Macau markets totaled HK$199.6 million, a year-over-year marginal decrease of 1.4%. Hong Kong and Macau accounted for 27.9% of the Group's total online sales, with VIP members contributing approximately 78.3%.

Online penetration is primarily facilitated through the Group's own Hong Kong e-shop, accessible via both mobile app and website at https://www.sasa.com.hk/. The Group is also active on major local third-party platforms such as HKTVmall. The Sa Sa e-shop features a wide variety of brands and products, including exclusive online items, comprehensive product descriptions and user-generated content. The e-shop accepts all major forms of digital payment and offers various delivery options, including in-store pickup.

"Buy Online Pick-up In-Store" Continues to be a Popular Choice, Creating a Seamless OMO Experience

The Group's convenient store locations make Buy-Online-Pick-Up-In-Store (BOPIS) a preferred fulfilment method for customers. When picking up their orders in person, customers benefit from the comprehensive, personalised, and seamless online-merged-offline (OMO) service experience provided by Sa Sa's professional beauty consultants. This enhances interaction between Sa Sa and its customers and supports increased sales. The Group has also innovated its packaging methods, reducing the size of BOPIS orders, significantly decreasing its carbon footprint and storage space requirements, and improving the ability of stores to offer BOPIS services.

Live Commerce Delivering Tangible Results for Exclusive Brand Development and Sales

During the Financial Year, live streaming began to yield results, generating sales that accounted for 18.3% of Hong Kong and Macau's total online sales. These events were hosted by professionally trained beauty consultants and often featured guest appearances by popular influencers, offering limited-time shopping incentives, trend insights, and new product introductions, as well as answering audience questions on beauty care and products.

During the Year, the Group further broadened its live commerce repertoire by diversifying its livestreaming scenarios. This included inviting overseas Key Opinion Leaders (KOLs) to host live events at our Hong Kong stores, as well as organising livestream sessions with both local and international KOLs to undertake "Brand Origin Journeys" in prominent locations such as Europe, South Korea, and Taiwan. These journeys not only introduced an element of excitement and authenticity to the livestreams but also enhanced brand storytelling and image building.

By integrating these creative elements, the Group successfully strengthened customer engagement and elevated overall awareness of our brands (particularly our exclusive brands).

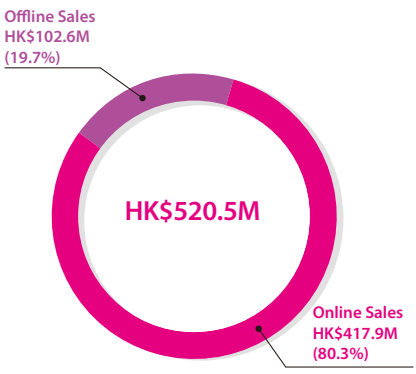
Establishing Sa Sa Community Through Social Media to Listen to Customer Needs

Sa Sa continued to enhance its promotion and visibility across various social media platforms, including Facebook, Instagram, Threads, and other third-party collaborations. In addition to showcasing the latest curated products and various shopping offers, Sa Sa actively engaged with customers through interactions, allowing the Group to adjust its procurement and promotional strategies in response to customer's feedback and demands.

2. Mainland China

Restructure Business Operations in Response to Market Conditions in Mainland China, Resulting in Reduction in Turnover

Chart 14: Mainland China Turnover (by Online and Offline Channels)



During the Financial Year, consumer spending in Mainland China remains sluggish, prompting consumers to adopt a more cautious approach and retain cash reserves in anticipation of future uncertainties. In light of this, the Group has undertaken a comprehensive review and strategic adjustment of its operations in the region to enhance cost-effectiveness and minimise both losses and cash outflows.

As online sales accounted for over 80% of the Group's turnover in this region, and a growing proportion of customers are favouring online shopping. In addition, the Group's existing physical stores are insufficient to achieve economies of scale. In light of this, the Group has decided to reallocate resources to align with local consumer trends. All physical stores will be closed by 30 June 2025, allowing the Group to focus on developing its online business and continuing to serve local customers.

As of 31 March 2025, the Group has closed 14 stores. This has impacted offline sales, resulting in an overall annual turnover decline of 10.5%, amounting to HK$520.5 million.

Conversely, the Group seized on the trend among Mainland Chinese consumers who are willing to explore niche brands and increased promotions across local online channels and popular social media platforms, thereby enhancing the visibility and competitiveness of Sa Sa's exclusive brands.

The loss in the Mainland China market continued to narrow during the Financial Year, decreasing from HK$17.1 million in the previous year to HK$14.9 million during the Year (before closure cost provision). The Group remains cautiously optimistic on the medium to long-term prospects for the Mainland Chinese market.

Offline Sales – Mainland China

Number of stores

Market	As at 31 Mar 2024	Opened	Closed	**As at 31 Mar 2025**
Mainland China	32	–	14	**18**

As at March 31, 2025, the Group operated 18 physical stores in Mainland China, a decrease of 14 stores compared to the same period last year. The Group's offline store footprint decreased by 43.8%, offline sales for the Year was HK$102.6 million, representing a year-on-year decrease of 38.2%.

Online Sales – Mainland China

Online Remains the Predominant Sales Channel in a Digitally Native Mainland China; Sa Sa Enhances Its Promotion and Exposure on Social Media Platforms and Provide Wider Variety of Shopping Options through its Cross-border E-commerce Platform

Chart 15: Offline Average Ticket Size (ATS)

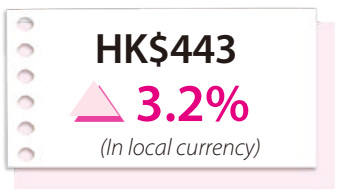


Chart 16: No. of Third-Party Online Platforms

The Group's online sales in Mainland China are primarily generated through a cross-boundary model via the Group's WeChat mini-programme store and third-party platforms such as T-mall, JD.com and Douyin. Online sales in Mainland China saw a marginal increase of 0.6% year-on-year to HK$417.9 million during the Year. Online sales accounted for 80.3% of the region's total sales and 58.4% of the Group's total online sales.

The Group will enhance its online business subject to the change in the local consumer market, aiming to maintain a low return rate and ensure stable development.

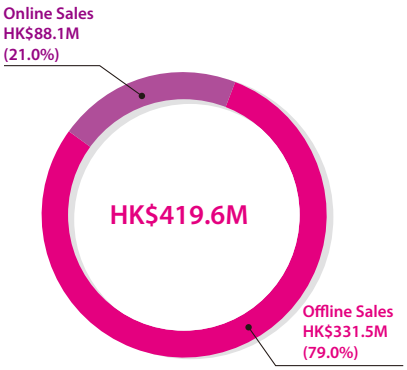
The Group will invest in strengthening promotion on popular social media platforms and digital channels, with influencers to promote and increase brand awareness, and credibility among target consumers. The Group will continue to leverage WeChat mini-programme, enabling Sa Sa's beauty consultants to connect with customers who have returned to Mainland China from Hong Kong and Macau, allowing them to shop and purchase online.

During the Year, the average monthly active users (MAU) of our own WeChat mini-programme increased by 13.4% year-on-year.

3. Southeast Asia

Growing VIP Membership and Stable Business in Southeast Asia Despite Rising Living Costs and Economic Headwinds

Chart 17: Southeast Asia Turnover (by Online and Offline Channels)



During the Financial Year, the Group recorded turnover of HK$419.6 million in Southeast Asia, marking a 14.7% increase against the previous year. Within this, offline sales contributed HK$331.5 million or 79.0% of the total sales for this region. During the Financial Year, the Group re-entered the Singapore market and operated five stores, incurring associated additional costs and leading to a loss of HK$5.0 million in the Southeast Asian market (2024: profit of HK$5.0 million).

Offline Sales – Southeast Asia

Strengthening Sa Sa's Brand Influence in Southeast Asia through Offline Stores in Singapore, Complementing the Online Business to Provide a Seamless Shopping Experience

Number of stores

Market	As at 31 Mar 2024	Opened	Closed	As at 31 Mar 2025
Southeast Asia	69	6	3	**72**

Chart 18: Same-store Sales Growth*#

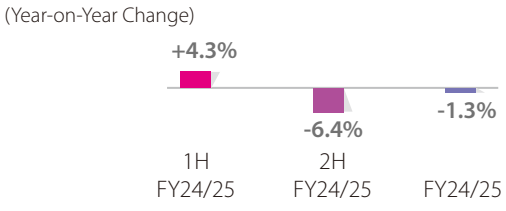
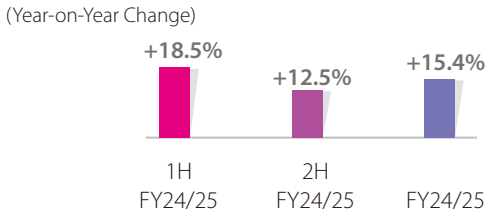


Chart 19: Offline Sales Performance^



** In local currency # only refers to Malaysia*
Note: 1H: Apr – Sept; 2H: Oct – Mar

^ Singapore offline operation started since December 2023

Since Singapore is an important hub in Southeast Asia, the Group re-entered its offline market in Singapore in December 2023 and managed through its regional office in Kuala Lumpur, Malaysia.

As at 31 March 2025, the Group operated 67 stores in Malaysia and five in Singapore in Southeast Asia.

The Group will continue to review the situation in the Singapore and Malaysia markets to adjust the store portfolio accordingly when appropriate. The Group will also closely monitor the impact of tariffs on the Southeast Asian retail market and adopt a prudent approach to expanding offline operations.

Offline Sales in Southeast Asia Grew 15.4%, Laying a Good Foundation for the New Financial Year

Despite the Group faced pressures from the rising cost of living in Malaysia, Southeast Asian offline sales reached HK$331.5 million, a year-on-year increase of 15.4%. In the first half of the Year, same-store sales in Malaysia and offline sales in Southeast Asia saw increases of 4.3% and 18.5% respectively. However, in November 2024, the business was impacted by seasonal climate change, with floods in the coastal regions of Malaysia affecting hundreds of thousands of residents. This resulted in a 6.4% decline in same-store sales in Malaysia during the second half of the Year, alongside a marginal year-on-year decline of 1.3% in same-store sales in Southeast Asia during the Year.

Brand Investment and Collaboration with Brand Partners to Deliver Innovative Consumer Engagement Programmes

Local business unit actively embraced the Group's brand-building ethos through strategic collaborations with brand partners. Key initiatives during the Financial Year included a series of influential roadshows at prominent malls featuring brands such as Mercedes-Benz, TOUS, MCM, Versace and Ulike etc. The Group also hosted Sa Sa Beauty Bash roadshows across various high-traffic locations, extending brand reach beyond Sa Sa's stores and engaging a broader audience.

In addition, the Group hosted major promotional events for Suisse Programme, Artdeco, and Cell Fusion C respectively, showcasing their key skincare and makeup offerings. Innovative brand activations – such as Sa Sa's collaboration with partner brand to make appearances in festive-season music videos – were strategically rolled out to boost visibility and foster deeper emotional connections with consumers during the important festive seasons.

Online Sales – Southeast Asia

Strengthening Online Presence Across Southeast Asia

The Group's online presence in the region is mainly through third-party platforms, Shopee, Lazada and Zalora, covering Singapore, Malaysia, the Philippines and Thailand. During the Year, the Group expanded our footprint by launching on Shopee in Thailand and adding Zalora as a new sales channel in Singapore. During the Year, total online sales in Southeast Asia grew 12.4% year-on-year to HK$88.1 million, contributing 21.0% of the total sales in this region, driven by both existing and newly expanded online businesses.

During the Year, the Group's flagship stores consistently maintained top-tier rankings in the Beauty & Health category on Shopee and Lazada in Singapore and Malaysia. These achievements underscore the Group's strong brand positioning and competitive edge in these highly dynamic e-commerce platforms. By leveraging the broad reach of these platforms and building customer trust, the Group has solidified Sa Sa's presence in the growing online retail landscape.

4. Other Jurisdictions

The Group's online sales in markets outside Hong Kong, Macau, Mainland China, and Southeast Asia are conducted via online third-party channels and an international e-shop.

FUTURE OUTLOOK

Stay Agile and Adaptable to Achieve Sustainable Long-term Profit Growth

Against a backdrop of continued uncertainty in the international geopolitical and economic landscape, the Group's business has remained resilient.

The development trajectory, monetary policies, and interest rate movements of major economies remain subject to a multiple factors, including policy adjustments, increasing economic fragmentation, and evolving political dynamics. The global economic outlook remains uncertain due to trade protectionism and other uncertainties.

The Group will closely monitor market changes and strengthen collaboration across business units to maintain and enhance its competitive edge with greater agility and responsiveness. The Group will adapt to the ever-changing market trends and consumer preferences by reviewing its brand portfolio, so as to curate a selection of skincare and personal care products that best align with current trends. In addition, the Group will align with the new retail landscape by proactively optimising product display and accelerating the upgrade of the digital system. This includes reinforcing the experience of omni-channel integration (OMO) and boosting operational efficiency to create a comprehensive, customer-centric shopping journey. The goal is to achieve growth in both sales and gross profit while maintaining a stable gross profit margin, ultimately establishing a sustainable model to enhance profitability.

Human Resources

As at 31 March 2025, the Group had approximately 2,400 employees. The Group's staff costs for the year under review were HK$679.9 million. Details on the Group's human resources initiatives, training and development will be set out in the environmental, social and governance report and the enterprise risk management report sections of the annual report for the year ended 31 March 2025.

Financial Review

Capital Resources and Liquidity

As at 31 March 2025, the Group's total equity amounted to HK$1,157.7 million including reserves of HK$847.4 million. The Group continued to maintain a strong financial position with working capital of HK$465.3 million that included cash and bank balances of HK$371.1 million, while unutilised banking facilities were approximately HK$315.7 million giving total accessible funds of HK$686.8 million. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances and the continued availability of the Group's banking loan facilities, the Group has adequate liquidity and financial resources to meet its working capital requirements and operating needs in the next twelve months from the balance sheet date.

During the Year, the majority of the Group's cash and bank balances were in Hong Kong dollar, Malaysian Ringgit, United States dollar, Renminbi and Macau Patac, and deposited in reputable financial institutions with maturity dates falling within a year. This is in line with the Group's treasury policy to maintain liquidity of its funds and continue to contribute a relatively stable yield to the Group.

Financial Position

Total funds employed (representing total equity) as at 31 March 2025 were HK$1,157.7 million, representing a 7.5% decrease over the funds employed of HK$1,252.1 million as at 31 March 2024.

The gearing ratio, defined as the ratio of total borrowings to total equity, was zero as at 31 March 2025 and 2024.

Treasury Policies

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management. Most of the assets, receipts and payments of the Group are denominated either in Hong Kong dollar, United States dollar, Euro, Renminbi or Malaysian Ringgit. Based on purchase orders placed, the Group enters into forward foreign exchange contracts with reputable financial institutions to hedge against foreign exchange exposure arising from non-Hong Kong dollar or non-United States dollar denominated purchases. These hedging policies are regularly reviewed by the Group.

Property, Plant and Equipment

Capital expenditure was HK$58.9 million (2024: HK$73.3 million), mainly for IT investment, new stores and existing store upgrades. Management will continue to devote resources to strengthening our store image, improving consumer experience and raising operational efficiency.

Inventories

Group inventories were HK$670.0 million (2024: HK$705.3 million) while stock turnover days increased by 3 days to 103 days through tightened inventory management practices.

Charge on Group Assets

As at 31 March 2025, land and buildings with carrying value amounting to HK$89.5 million (31 March 2024: HK$94.4 million) were pledged for banking facilities made available to the Group.

Contingent Liabilities

The Group had no significant contingent liability as at 31 March 2025.

Capital Commitments

As at 31 March 2025, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK$7.8 million.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

We continue to accelerate the upgrade of the digital system and reinforce OMO experience to boost operational efficiency, ultimately establishing a sustainable model to enhance profitability.

Dr KWOK Siu Ming Simon, *SBS, JP*
Chairman and Chief Executive Officer

Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP*
Vice-chairman

Executive Directors

Dr KWOK Siu Ming Simon, *SBS, JP* Chairman and Chief Executive Officer[§^]

Dr Kwok is the Chief Executive Officer, an executive director of the Company, the Chairman of the Board and the Chairman of both the Executive Committee and the Risk Management Committee of the Company. Dr Kwok together with his wife, Dr Kwok Law Kwai Chun Eleanor, has overseen Sa Sa's operations since the Group's earliest days and successfully listed the Company on the Stock Exchange in June 1997. Over the past 47 years, Dr Kwok has played a leading role in transforming Sa Sa into a leading beauty product retailing group in Asia. Dr Kwok is currently a member of the Electoral Conference for Electing Deputies of the Hong Kong Special Administrative Region to the 14th National People's Congress, a member of the Election Committee, the Honorary Life President of the Cosmetic & Perfumery Association of Hong Kong, the Governing Council Adviser of Quality Tourism Services Association in Hong Kong, the Honorary President of the Immigration Service Officers Association, the Honorary Founding President of the Professional Validation Centre of Hong Kong Business Sector, and the Honorary Life President of the Hong Kong Brands Protection Alliance, the Honorary President of Hong Kong Guangdong Chamber of Foreign Business Association, a member of Friends of Hong Kong Association, and a member of the Liberal Party. Dr Kwok was also a Member of the Hubei Provincial Committee of the Chinese People's Political Consultative Conference (2008–2017), Chairman of Quality Tourism Services Association (Dec 2013 – Dec 2017), and a member of Quality Tourism Services Committee and the Chairman of Quality Tourism Services Sub-Committee of Hong Kong Tourism Board (2016–2019).

Dr Kwok was named "Business Person of the Year" at the DHL/SCMP Hong Kong Business Awards 2018. He also received the "Best IR by Chairman/CEO" (small-cap category) from Hong Kong Investor Relations Association for seven consecutive years from 2016 to 2022 and was selected as the "CAPITAL Leaders of Excellence 2014" by CAPITAL Magazine in 2015. In 2014, he received the "Global Outstanding Chinese Award" from the "Global Chinese Association (GCA)" and was selected for the "Who's Who Leadership Award Scheme" by the Asian College of Knowledge Management. In 2012, he received the "China Cosmetic Retail Industry Special Contribution Award" from the Circulation Industry Promotion Centre of the Ministry of Commerce of the PRC and the China Beauty Expo Organising Committee. Dr Kwok won "The Directors of the Year Awards 2011" in the Listed Companies (SEHK – Non Hang Seng Index Constituents) category organised by the Hong Kong Institute of Directors, and the "Owner-Operator Award" at the DHL/SCMP Hong Kong Business Awards 2007. He was also a winner in the Retail Category in the "Ernst & Young Entrepreneur of the Year Awards China 2006". Dr Kwok was elected University Fellow by The Hong Kong Polytechnic University in 2012, received the degree of Doctor of Business Administration, honoris causa from the Open University of Hong Kong in 2011, and an honoris causa doctorate degree in Business Administration from Lingnan University in 2008.

Dr Kwok is an active participant in the work of charities. He is the First Vice-president (2014–2015, 2020–2022 and 2023–2025) of the Community Chest of Hong Kong as well as Executive Committee Chairman (2014–2015, 2020–2022 and 2023–2025), a member of the Board of Directors (2009–2015, 2016–2022 and 2023–2025) and Vice Patron (since 2015). Dr Kwok is also a Fundraising Committee Member of Heifer Hong Kong (since 2009), a Board Member of Concerted Efforts Resource Centre (since 2009), an Executive Board Member of the Hong Kong AIDS Foundation (since 2006), and an Honorary Advisor and Member (since 2006) of The Hong Kong Committee for the China AIDS Initiative. Dr Kwok was also a Vice-chairman of the Second & Third Board of Hongkong Kowloon Charitable Foundation Association Limited (2014–2020).

Dr Kwok is a director and shareholder of Sunrise Height Incorporated and Green Ravine Limited, the respective controlling and substantial shareholders of the Company. Both Dr Simon Kwok and Dr Eleanor Kwok have a 50% shareholdings in each of the two companies, in addition, Dr Kwok is a director of certain subsidiaries of the Group. Details of his interest in the shares and underlying shares in the Company are set out in the "Directors' Report". Save as aforesaid, Dr Simon Kwok does not hold any directorship in other listed companies in the past three years.

Dr Kwok is the husband of Dr Kwok Law Kwai Chun Eleanor, father of Ms Kwok Sze Wai Melody and Ms Kwok Sea Nga Kitty and brother-in-law of Mr Law Kin Ming Peter. He is 72 years old.

* Member of the audit committee
Δ Member of the remuneration committee
\# Member of the nomination committee
§ Member of the executive committee
^ Member of the risk management committee

Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP* Vice-chairman[Δ#§^]

One of the founders of the Group, an executive director of the Company and the Vice-chairman of the Board. She is a member of the Executive Committee, Remuneration Committee, Nomination Committee and Risk Management Committee of the Company. Dr Kwok has more than 40 years of experience in the sales and marketing of beauty products. With extensive professional knowledge and many years of experience in cosmetics retailing, she pioneered the unique operational concept of open-shelf display of beauty products, making shopping a more enjoyable experience. Dr Kwok plays a leading role in the marketing, operations, human resources and staff training functions of the Group.

Dr Kwok was named as one of the "Heroes of Philanthropy List 2020" in the Asia-Pacific region by Forbes Asia. She was awarded the "Women of Hope 2019 Entrepreneur Award" by Hong Kong Adventist Hospital Foundation in 2019. Dr Kwok was honoured the "Excellent Businesswomen" by Hong Kong Commercial Daily, the "Asian Outstanding Leaders Awards for Women" by Asian College of Knowledge Management and the "Asian Social Caring Leadership Award" by Social Enterprise Research Institute in 2017. Dr Kwok received "Most Successful Women Awards" by JESSICA Magazine in 2016. She was named "2013 Entrepreneur of the Year" in the Asia Pacific Entrepreneurship Awards 2013 Hong Kong by Enterprise Asia and received "The Excellent Award in Hong Kong Beauty Industry 2012/13" from the International CICA Association of Esthetic-CIDESCO Section China in 2012. Dr Kwok won the "Outstanding Women Entrepreneurs" award of the Hong Kong Women Professionals & Entrepreneurs Association in 2008, and received the "World Outstanding Chinese" award from the World Outstanding Chinese Association and World Chinese Business Investment Foundation in 2005. She was conferred an Honorary Doctorate of Management by Morrison University, USA, and an Honorary Fellowship by the Professional Validation Centre of Hong Kong Business Sector.

Dr Kwok is actively involved in chamber of commerce and charity activities. She is currently the Honourable President of the Cosmetic & Perfumery Association of Hong Kong (since 2009), President of Sa Sa Making Life Beautiful Charity Fund (since 2013), Adviser of Po Leung Kuk (April 2017 – March 2018, January 2023 – December 2025), the Vice President of the Hong Kong Girl Guides Association (since 2012), Honorary President of All-China Women's Federation Hong Kong Delegates Association (since 2023), Senator of the Hong Kong Federation of Women (since 2015), the Honorary President of the Hong Kong Federation of Women (since 2005) and Committee Member of Hong Kong Federation of Women Entrepreneurs Committee (since 2004). Dr Kwok was also the Chairman (April 2016 – March 2017), the Vice-chairman (April 2012 – March 2016), Director (2006-2012) of Po Leung Kuk, initiating the "Making Life Beautiful" Beauty Ambassador Training Programme (2008 and 2009) and "Sa Sa Eternal Beauty" Charitable Programme (2018-2019) of Po Leung Kuk together with Sa Sa. She was also the Committee Member of the Major Sports Events Committee (2015-2018) and a patron of Caritas Fund Raising Campaign (2006-2020).

She is a director and shareholder of Sunrise Height Incorporated and Green Ravine Limited, the respective controlling and substantial shareholders of the Company. Both Dr Eleanor Kwok and Dr Simon Kwok have a 50% shareholdings in each of the two companies. Details of her interest in the shares and underlying shares in the Company are set out in the "Directors' Report". Dr Kwok is a director of certain subsidiaries of the Group. Save as aforesaid, Dr Eleanor Kwok does not hold any directorship in other listed companies in the past three years.

Dr Kwok is the wife of Dr KWOK Siu Ming Simon, mother of Ms Kwok Sze Wai Melody and Ms Kwok Sea Nga Kitty, and the sister of Mr Law Kin Ming Peter. She is 71 years old.

Ms KWOK Sze Wai Melody, *MH, JP* [§]

Ms Kwok is an executive director of the Company and a member of the Executive Committee of the Company. Ms Kwok joined the Group in 2005 as management trainee and has held various positions within the Group over the years. She was promoted to Vice President, Corporate Strategy & Development in April 2018, with oversight over business development strategy, marketing, brand management and product development.

Ms Kwok is currently a member of the Electoral Conference for Electing Deputies of the Hong Kong Special Administrative Region to the 14th National People's Congress, a member of the Election Committee in the Wholesale and Retail subsector, a member of the Beauty and Hairdressing Industry Training Advisory Committee of Qualifications Framework of HKSAR Education Bureau, a member of the Fight Crime Committee of HKSAR Government, and Executive Committee of Hong Kong Retail Management Association. With extensive experience in cosmetic retailing, she has been President of the Cosmetic & Perfumery Association of Hong Kong since 2017 and has been the Honorary President and Executive Advisor from 2024 onwards, diligently promoting solidarity and safeguarding the interests of the Hong Kong cosmetic industry. She is also an executive director of the Hong Kong Federation of Guangzhou Associations (since 2015), executive director of the Council of Guangzhou Overseas Friendship Association (since 2013), Honorary Advisor of the Hong Kong Island Women's Association (since 2018) and Founding Honorary Advisor of the Hong Kong O2O E-commerce Federation (since 2017).

Actively involved in community service and philanthropic activities, Ms Kwok has been Prominent President (since 2022) of the Southern District Association of the Hong Kong Girl Guides Association, and Vice President of Greater China Cancer Foundation (2025-2026). She also supported the establishment of Sa Sa's first charity foundation "Sa Sa Making Life Beautiful Charity Fund" and acts as its Vice-chairman, working closely with numerous influential non-profit organisations. Ms Kwok received the "District Association Award – Gold Award" by the Southern District Association of The Hong Kong Girl Guides Association in 2023, and received "Golden Bauhinia Award" by The Hong Kong Girl Guides Association in 2021. She was named "CMO Marketer of the Year" by Hong Kong Institute of Marketing ("HKIM") in 2019, recognising her outstanding achievement and contribution in marketing strategy development. She was awarded the "Golden Bauhinia Women Entrepreneur Award" by the Golden Bauhinia Women Entrepreneur Association in 2016 and "Junior Chamber International City Lady Award" in 2014, in recognition of her contribution to society as well as art and culture.

Ms Kwok graduated from RMIT University, Australia, in 2002 with a Bachelor of Business degree. She obtained a Master's degree in International Business from Monash University, Australia, in 2004. She was conferred an Honorary Fellowship by the Professional Validation Centre of Hong Kong Business Sector in 2019.

Ms Kwok is the daughter of Dr Kwok Siu Ming Simon and Dr Kwok Law Kwai Chun Eleanor, the sister of Ms Kwok Sea Nga Kitty and the niece of Mr Law Kin Ming Peter. Details of her interest in the shares and underlying shares in the Company are set out in the "Report of the Directors". She is 47 years old.

Ms KWOK Sea Nga Kitty [§]

Ms Kwok is an executive director of the Company and a member of the Executive Committee of the Company. Ms Kwok joined the Group in 2010. Over the years, Ms Kwok has been committed to expanding the Group's Mainland China and e-commerce businesses. She was promoted to Vice President of e-commerce in April 2018, overseeing the Group's e-commerce business in Mainland China, Hong Kong and Macau SARs, Southeast Asia and other regions, and driving the Group's transformation into a new retail model through online and offline integration. She is also a director of certain subsidiaries of the Group. Before joining the Group, Ms Kwok worked in the private banking department of the renowned investment bank Morgan Stanley for more than four years.

Ms Kwok is passionate in driving industry excellence for the commerce and retail sectors. She has been an elected member of the retailer category of the Governing Council of the Quality Tourism Services Association (2017-2025), and clinched the GBA Outstanding Women Entrepreneur Award by Metro Broadcast and Hong Kong Small and Medium Enterprises Association in 2024. She was a member of the Executive Committee of The Professional Validation Centre of Hong Kong Business Sector.

Ms Kwok graduated from the University of British Columbia in Canada in 2004 with a Bachelor's degree in Economics.

Ms Kwok is the daughter of Dr Kwok Siu Ming Simon and Dr Kwok Law Kwai Chun Eleanor, the sister of Ms Kwok Sze Wai Melody and the niece of Mr Law Kin Ming Peter. Details of her interest in the shares and underlying shares in the Company are set out in the "Directors' Report". She is 41 years old.

Mr CHUNG Ming Kit, Chief Financial Officer and Company Secretary [§^]

Mr CHUNG Ming Kit was appointed as an executive director, member of the executive committee and member of the risk management committee of the Company with effect from 19 June 2025. Mr Chung joined the Company as chief financial officer on 2 December 2024 and appointed as the company secretary on 25 April 2025. Mr Chung has over 20 years of experience in finance, accounting and management. Prior to joining the Company, he had worked in an international accounting firm and other companies listed on the Main Board of the Stock Exchange of Hong Kong, NASDAQ and the Singapore Exchange. Mr Chung obtained his Bachelor's degree of business administration in accounting from the Hong Kong University of Science and Technology. He is a Chartered Financial Analyst of the CFA Institute and a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also an independent non-executive director of Cutia Therapeutics, a company whose shares are listed on the Main Board of the Stock Exchange of Hong Kong, since 12 June 2023. He is 47 years old.

Independent Non-executive Directors

Ms KI Man Fung Leonie, *GBS, SBS, JP**△#

Ms Ki was appointed as an independent non-executive director of the Company in December 2006. She is Chair of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee of the Company. She was a non-executive director (2008-2012, 2018-2020) and an executive director (2012-2018) of New World Development Company Limited and an independent non-executive director of Clear Media Limited (2004-2019), both being public companies the securities of which are/were[1] listed on the Main Board of The Stock Exchange of Hong Kong. She retired from the New World Group in 2020.

Ms Ki has more than 40 years of experience in integrated communication and marketing services. She was the founder, partner and Chairman/Chief Executive Officer of Grey Hong Kong Advertising Limited and Grey China Advertising Limited. Committed to community and public services, she was the first Chief Executive of The Better Hong Kong Foundation and has been a Director of PMQ Management Company Limited. Currently she is Founder and Honorary President of Wu Zhi Qiao Charitable Foundation and an Honorary Advisor of Youth Outreach and the Musicus Society. In 2018, she founded the Hong Kong Gaudeamus Dunhuang Ensemble to promote Dunhuang arts and culture.

Ms Ki is an Honorary University Fellow of The Open University of Hong Kong, The University of Hong Kong and the Hong Kong Baptist University (HKBU). She has been awarded the honour of Beta Gamma Sigma by the Faculty of Business Administration of The Chinese University of Hong Kong, and Justice of the Peace, Silver Bauhinia Star and Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. She was appointed as a member of the 12th Chinese People's Political Consultative Conference ("CPPCC") National Committee in 2013 and a member of the 10th, 11th & 12th CPPCC Yunnan Provincial Committee.

She is presently a member of the Culture Commission under the Culture, Sports and Tourism Bureau of the Hong Kong Special Administrative Region. She is 78 years old.

Mr TAN Wee Seng*#

Appointed as a non-executive director of the Company on 11 March 2010 and was re-designated from a non-executive director to an independent non-executive director on 26 June 2012. Mr Tan is the Chair of both the Audit Committee and the Nomination Committee of the Company.

Mr Tan is a professional in value and business management consultancy. He is a non-executive director, Chairman of Sustainability Committee, and member of Audit Committee and Nomination Committee of Xtep International Holdings Limited, an independent non-executive director and Chairman of Audit Committee of CIFI Holdings (Group) Co. Ltd., an independent non-executive director and Chairman of Remuneration Committee of Health and Happiness (H&H) International Holdings Limited and an independent non-executive director, Chairman of Audit Committee and Remuneration Committee of Shineroad International Holdings Limited, all the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong. He is also a board member and Chairman of the Finance and Operation Committee of Beijing City International School. Mr Tan resigned as the independent director and Chairman of Audit Committee of ReneSola Ltd whose shares are listed on the New York Stock Exchange with effect from 1 February 2023. Mr Tan was an independent non-executive director of Sinopharm Group Co. Ltd. whose shares are listed on the Main Board of The Stock Exchange of Hong Kong, and an independent director and Chairman of the Audit Committee of 7 Days Group Holdings Limited whose shares were listed on the New York Stock Exchange between November 2009 and July 2013 until it was privatised. He was the Chairman of the Special Committee for Privatisation of 7 Days Group Holdings Limited from October 2012 to July 2013.

Mr Tan has over 37 years of financial, operation and business strategy as well as management experience and has also held various senior management positions in a number of multinational and Chinese corporations. From 2003 to 2008, he was an executive director, Chief Financial Officer and Company Secretary of Li Ning Company Limited, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong. From 1999 to 2002, he was the Senior Vice President of Reuters for the China, Mongolia and North Korea regions, and the Chief Representative of Reuters in China. Mr Tan is a fellow member of the Chartered Institute of Management Accountants, United Kingdom, and a fellow member of the Hong Kong Institute of Directors. He is 69 years old.

[1] Clear Media Limited was privatised in 2021

Mr CHAN Hiu Fung Nicholas, *BBS, MH, JP**△*

Appointed as an independent non-executive director of the Company on 2 September 2019. Mr Chan is a member of the Audit Committee and member of the Remuneration Committee of the Company. Mr Chan is a partner of an international law firm Squire Patton Boggs. He graduated from the University of Melbourne, Australia, in 1997 with a Bachelor of Laws degree and a Bachelor of Science (Computer Science) degree, and has been a solicitor in Hong Kong since May 1999. He was also admitted to the roll of solicitors in the following jurisdictions (but now non-practising): Australia Capital Territory (June 1997), State of Victoria in Australia (October 2000), and England and Wales (October 2007). Mr. Chan was conferred Honorary Fellowship by the Hong Kong University of Science and Technology (HKUST) on 22 September 2023. He is also a China Appointed Attesting Officer.

Mr Chan is an independent non-executive director, Chairman of the Remuneration Committee and member of both the Audit Committee and the Nomination Committee of China Merchants Port Holdings Company Limited, an independent non-executive director, Chairman of the Remuneration Committee, member of each of the Audit Committee, Nomination Committee and the Risk Management Committee of Q P Group Holdings Limited and an independent non-executive director and member of the Nomination Committee of Genertec Universal Medical Group Company, all the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong. Mr Chan resigned as an independent non-executive director, Chairman of the Remuneration Committee and member of both the Audit Committee and the Nomination Committee of Million Cities Holdings Limited with effect from 1 April 2025 and independent non-executive director, Chairman of the Nomination Committee and member of Audit Committee of Pangaea Connectivity Technology Limited with effect from 1 July 2025, all the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong.

Mr Chan is a member of the 13th (April 2019 – March 2023) and 14th (March 2023–2028) National People's Congress of the People's Republic of China and an adjudicator or panel member of a number of appeal boards or advisory committee in the Hong Kong Special Administrative Region, including: member of Chief Executive's Policy Unit Expert Group (Social Development Expert Group) (May 2023 – May 2026), member of the Competition Commission (May 2024 – April 2026), member of Communications Authority (April 2023 – March 2027), member of the Expert Advisory Group on Legal and Dispute Resolution Services established by the Department of Justice (October 2024 – October 2027), member (June 2017 – June 2023) and chairman (June 2023 – June 2025) of the Innovation and Technology Commission "Innovation and Technology Venture Fund" Advisory Committee and member to the Board of Directors of the Hong Kong Cyberport Management Company Limited (April 2024 – March 2026).

Mr Chan is currently the Director heading the operations of the AALCO Hong Kong Regional Arbitration Centre (since May 2022), Vice-Chairman of the InnoTech Committee of The Law Society of Hong Kong, Council Vice Chairman (October 2024 – October 2025) and Council Member (since November 2018) of Fu Hong Society, Council Member (since June 2022), Chairman of the Risk Management Subcommittee (since May 2024), Member of Executive Committee of the Council (April 2024 – May 2028), Member of the Audit and Risk Management Committee(April 2024 – March 2026) and Chairman of the Knowledge Transfer Committee (April 2024 – March 2026) of The Chinese University of Hong Kong, Court Member of The Hong Kong University of Science and Technology (September 2022 – September 2025), member of the PCLL Academic Board of The University of Hong Kong, member of the PCLL Academic Board of The City University of Hong Kong, member of The Hong Kong Polytechnic University Technology Transfer Management Committee, Independent Member of the Travel Industry Council of Hong Kong Appeal Board, Honorary Legal Advisor, Chairman of Election Committee, member of the Membership Affairs Appeal Panel and member of the Hong Kong Athletes Career and Education Programme Committee of Sports Federation & Olympic Committee of Hong Kong, China, a director of The Football Association of Hong Kong, China Limited and member of the council of Hong Kong Youth Exchange Promotion United Association (since January 2022).

Mr Chan is also the Honorary Legal Advisor of some charities and trade associations including the Hong Kong Association of Interactive Marketing (HKAIM), Hong Kong Creative Industries Association (HKCIA), e-Learning Consortium, Hong Kong General Chamber of Cross-border E-Commerce (HKGCCE), Hong Kong Information Technology Federation (HKITF), Hong Kong Internet Service Providers Association (HKISPA), Hong Kong O2O E-Commerce Federation, and International Federation of Creativity and Technology (IFOCAT).

Mr Chan was a Council member of The Law Society of Hong Kong (December 2014 – May 2019), member of HKSAR Passports Appeal Board (October 2011 – October 2017), adjudicator of the Immigration Tribunal (October 2013 – October 2019), member of Solicitors Disciplinary Tribunal Panel (September 2010 – September 2016), Chairman of the Appeal Tribunal Panel (Buildings) (December 2012 – December 2020), substantive member of the Human Organ Transplant Board (February 2018 – February 2024) in the Hong Kong Special Administrative Region, Chairman of the Knowledge Transfer Committee, Council Member of The Hong Kong University of Science and Technology (April 2016 – March 2022), Chairman (June 2018 – May 2020) and Vice-Chairman (May 2020 – June 2022) of eBRAM International Online Dispute Resolution Centre Limited, member of the Legal Aid Services Council (September 2018 – August 2022), member of Committee on Innovation, Technology and Industry Development (March 2023 – March 2025) and Hospital Governing Committee Member of Castle Peak Hospital and Siu Lam Hospital. He is 51 years old.

Ms LEE Yun Chun Marie-Christine*

Appointed as a non-executive director of the Company on 26 February 2013 and redesignated as independent non-executive director and appointed as a member of Audit Committee on 2 September 2024. Ms Lee has a proven leadership position in retailing, branding and marketing, with more than 17 years of experience. Ms Lee was an ambassador of Harry Winston (Hong Kong) Limited, focusing on sales, branding and marketing and successfully launched its debut shop in Hong Kong, from 2009 to 2016. Harry Winston is a world famous jeweller specialising in luxurious jewellery and jewellery watches. She is currently the director of Or-Tea, an international premium specialty tea brand created in Hong Kong and produced in Germany. Ms Lee is a founder of Sport Max HK Co Limited, a diversified sports' service provider with professional coaching in sports. She is also an advisory board member of Phoenix Property Investors (H.K.) Limited, a private equity real estate investment group focusing on first-tier pan-Asian markets.

Previously, Ms Lee was a product manager of Shiatos Limited, an agent managing and distributing various prestigious European and international brands in Hong Kong, like Hermes, Van Cleef & Arpels, Lalique, Baccarat, Bernardaud, Christofle, etc. She was responsible for retailing and marketing, and successfully launched world famous high fashions in Hong Kong. She also worked for Citicorp International/Citibank NA as an investment advisor manager for high net worth individuals, and marketed loans for multinational corporations.

Ms Lee is committed to community work. She is a lifetime founding benefactor of The Nature Conservancy, USA, and a founder of a non-profit charitable organisation, Sports for Hope Foundation, providing funding to highly-talented young underprivileged athletes who lack financial means to further their passion. Ms Lee obtained a Bachelor of Science in Biochemistry and Nutritional Sciences from Simmons College, Boston, United States and was conferred an Honorary Fellowship by King's College, London for the cancer research programme at the Guy's Hospital. She is 65 years old.

Senior Management

Mr LAW Kin Ming Peter, Senior Vice President, Category Management and Product Development

Joined Sa Sa in January 1996, Mr Law was appointed as Senior Vice President, Category Management and Product Development in January 2008. He has more than 40 years of experience in the field of sales and marketing, 28 of which were in senior management positions. He is also a director of a subsidiary of the Group. Mr Law oversees the Group's category management and product development function. He is also responsible for the Group's acquisition of exclusive distribution rights of international brands and the development of the Group's house brand products. He holds a Bachelor's degree in Arts majoring in Communications Studies from the University of Windsor, Ontario, Canada and pursued a Bachelor's degree in Commerce later. Mr Law is the Honorary Advisor of the Cosmetic & Perfumery Association of Hong Kong. Mr Law is the brother of Dr KWOK LAW Kwai Chun Eleanor, the brother-in-law of Dr KWOK Siu Ming Simon and the uncle of Ms KWOK Sze Wai Melody and Ms KWOK Sea Nga Kitty. He is 69 years old.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Responsible Beauty

Turning commitments into action

MESSAGE FROM THE CHAIRS

2024 has been a year of unprecedented and extreme global temperatures, bringing climate-related disasters ever closer. This has strengthened Sa Sa's resolve to advance a sustainable beauty strategy. Through collaboration with all stakeholders, we are dedicated to harnessing the power and principles of ESG to create a brighter, more beautiful future for our planet, people, customers, and communities alike.

Dr KWOK Siu Ming Simon, ***SBS, JP***
Chair of the Board

Ms KWOK Sze Wai Melody, ***MH, JP***
Chair of the Sustainability Steering Committee

OUR SUSTAINABILITY JOURNEY

2019/20

Hong Kong Awards for Environmental Excellence (HKAEE)

Sustainability Framework established

Hang Seng Corporate Sustainability Index Series Member 2019-2020

Caring Company 15 years

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

LAST UPDATE: September 23, 2021

2020/21

Stood with the community to fight the pandemic of the century

BDO ESG Award 2021

ESG 最佳表現大獎

2021/22

Signatory to *Bye Bye Microbeads Charter*

Bye Bye 微膠珠!

MSCI ESG RATINGS BBB

CCC | B | BB | BBB | A | AA | AAA

2018/19

Sustainability Steering Committee chaired by an executive director established leading to a more robust governance structure

2017/18

Our Vice-chair awarded in *Asian Outstanding Leaders Awards for Women*

2016/17

Award for Corporate Governance Excellence and Award for Sustainability Excellence

HONG KONG Corporate Governance & ESG EXCELLENCE AWARDS

2015/16

Glocal Greenovation Challenge: a three-day competition with cross-sector collaboration convened by Sa Sa seeking innovative solutions for environmental protection

2011/12

Selected as a constituent member of Hang Seng Corporate Sustainability Benchmark Index for the first time

Hang Seng Corporate Sustainability Index Series Member 2011-2012

Early adopter and first mover: our first ESG report

2012/13

ESG Taskforce established

2013/14

Participated in the *Lai See Reuse and Recycle Program* organised by Greeners Action for the first time

綠領行動 Greeners Action 利是封回收重用大行動

Sa Sa Making Life Beautiful Charity Fund established

Sasa 美麗人生慈善基金 Making Life Beautiful Charity Fund

2014/15

Caring Company 10 years

2022/23

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

LAST UPDATE: September 23, 2021

- 10th anniversary in participation of Lai See Reuse and Recycle Program

- Special Mention, 2022 Best Corporate Governance and ESG Awards (HKICPA)

2023/24

MSCI ESG RATINGS BBB

CCC | B | BB | BBB | A | AA | AAA

- TVB ESG Special Recognition Award

- Quality Merchant[1] for 20+ years

[1] Accredited by the Hong Kong Tourism Board under the Quality Tourism Services Scheme

2024/25 SNAPSHOT

ESG Special Recognition Award (with Merit) at TVB ESG Awards 2024

2024 GS1 "Quality Food Scheme ESG" Award

'Best ESG Company (E)' awarded by HKIRA

Inno ESG Prize 2024 – ESG Co-Creation Award, co-granted by UNESCO Hong Kong Association Glocal Peace Centre, Rotary Action Group for Peace and Society Next Foundation

Caring Company **20 years**

Received two awards including the "Best Sustainable Practices Award" and "Sustainable Retailer of the Year" at the Sustainable Restaurant and Retailer Award Ceremony by the Hong Kong Retail Technology Industry Association (RTIA) and the Hong Kong Smart Catering Association (SCA)

Independent reasonable **assurance** on key climate data

Scope 1 and scope 2 emissions ⇩**70%** from base year, successfully achieved our target of a 70% reduction by 2025

Strategic Partner of **Carbon Reduction Action** organised by Environmental Campaign Committee

MSCI ESG rating **BBB**

Quarterly sharing of key consumption data at management meetings to track our performance

Approximately 2,600kg of red packets collected for reuse in the Lai See Reuse and Recycle Program

96.6% of staff received training

180 hours of training (per employee)

Joined the **Packaging Reduction Charter** launched by the Environmental Protection Department ("EPD"), working with government and industry stakeholders to promote reduced packaging across all supply chain stages to report responsibly and transparently to the public

Satisfactory year-on-year reduction in the consumption of natural resources

- use of air pillow ⇩**22.7%**
- shopping bags consumption ⇩**17.6%**, reflecting effective environmental awareness and customer engagement efforts
- use of carton boxes ⇩**32.4%**, in which boxes for online business ⇩**37.8%**

OUR SUSTAINABILITY FRAMEWORK

Our Planet

Taking Climate Actions for Our Planet

- Take action on climate change by building a culture of sustainability and encouraging behavioural change
- Lower our carbon footprint
- Use resources responsibly
- Reuse and recycle to reduce waste

Our People

Fostering Two-way Communication and Shared Development-making Life Beautiful Together

- Invest in training and development
- Develop women leaders in the retail industry
- Promote equality, diversity and inclusion

Our Customer

Serving with Heart, Caring with Purpose

- Commit to product quality and safety
- Integrate consumer rights and protection into customer experience
- Inclusive beauty: quality products which are accessible and affordable to all
- Manage environmental and social risks along the supply chain

Our Community

Empowering Our Community

- Invest in the community
- Collaborate to flourish

OUR GOVERNANCE STRUCTURE

Top-down directions

Bottom-up information flow

Board of Directors

- Overall responsibility for ESG strategy, reporting and management of ESG risks.
- Monitors Company's ESG performance.

Sustainability Steering Committee (SSC)

- Delegated with duties of formulating goals, targets and action plans for the Board's endorsement.
- Advised by the ESG team, makes recommendations to the Board based on regulatory requirements, sustainability trends, and outcomes from stakeholder engagement and materiality assessment.
- Supports the Board in review of ESG risks.
- Monitors progress achieved by working groups.

Working Groups

- Charged with execution duties for delivering goals and targets.
- May be an existing department or a newly formed working group.
- Led by an executive director, department head or his/her deputy.

ESG Team

- Liaison between the SSC and working groups.
- Assists with ESG reporting, benchmarking, communications and engagement.
- Advises the SSC on regulatory requirements and sustainability trends.
- Conducts engagement activities and awareness education.

Our Sustainability Framework defines our vision and strategy. Our board of directors has overall responsibility for our sustainability strategy, development, reporting and management of ESG issues and risks. Our Sustainability Steering Committee, chaired by one of our executive directors and supported by our ESG team, is delegated with duties of formulating goals, targets and action plans for the Board's endorsement. Advised by the ESG team, the Sustainability Steering Committee also makes recommendations to the Board based on regulatory requirements, sustainability trends, and outcomes from stakeholder engagement and materiality assessment. There is sufficient linkage between the Company's governance on ESG matters and corporate governance with alignment at the highest level.

Five board meetings were held in the financial year ended 31 March 2025 (the "**Financial Year**" or during the "**Year**") and deliberation of sustainability related issues was on the agenda in **three** of such board meetings. The matters considered include new climate related disclosure released by the Hong Kong Stock Exchange (HKEX), ESG strategy, performance and indicators. A directors' training on new climate disclosure requirement was also held in the Financial Year. The Group has engaged in discussions with various specialised third-party ESG experts regarding the appointment of new ESG disclosure standards. The aim is to enhance the objectivity of the related data and the comprehensiveness of disclosures. The Board reviews progress made against sustainability goals and targets and the accomplishment of KPIs before the publication of our ESG report every financial year.

OUR PLANET

Taking Climate Actions for Our Planet

Preserve Our Planet – Our Commitments

- Take action on climate change by building a culture of sustainability and encouraging behavioural change
- Lower our carbon footprint
- Use resources responsibly
- Reuse and recycle to reduce waste

Our commitment to minimise the potential negative environmental impacts of our operations is set out in our Environmental, Social and Governance Policy and our commitment to manage our greenhouse gas emission and waste is set out in our Environmental Policy.

Our Climate-related Risks and Opportunities

Transition to a low carbon economy is challenging but present opportunities as well.

Physical Risks

- Damage to assets in extreme weather, as has happened when typhoons struck flooding our inventory and damaging our shop front and external signages.
- Increased insurance premium to cover our assets against climate-related losses.
- Loss of business and productivity in times of typhoons and rainstorms when stores need to be closed or employees are unable to travel to work.
- Increased cooling costs in rising temperature.
- Disruption to goods delivery whether from overseas or locally due to flooding or severe weather events.
- Knock-on effects affecting profitability of our business and the well-being of our stakeholders in the aftermath of severe weather.

Transitional Risks

- Higher electricity costs in the transition to a low-carbon economy.
- Costs of replacing petrol and diesel vehicles with electric vehicles.
- Costs of replacing electrical equipment with higher energy efficiency.
- Increased raw materials or product costs as legislation like plastic packaging tax or carbon levy are introduced.
- Increased costs to comply with local environmental laws and regulations like the waste charging scheme and producer responsibility scheme on glass beverage containers.

Our Opportunities

- Expand customer base and product offerings to meet growing demand for sustainable products.
- Innovate and optimise our use of resources to operate more efficiently.
- Accelerate our digital transformation.
- Embrace technological advancements.

Performance Overview: GHG emissions

Electricity consumption
54.2%
from base year

Carbon intensity
per sqm GFA
62.6%
from base year

Carbon intensity
per HK$1M turnover
33.0%
from base year

Electricity intensity
per sqm GFA
45.0%
from base year

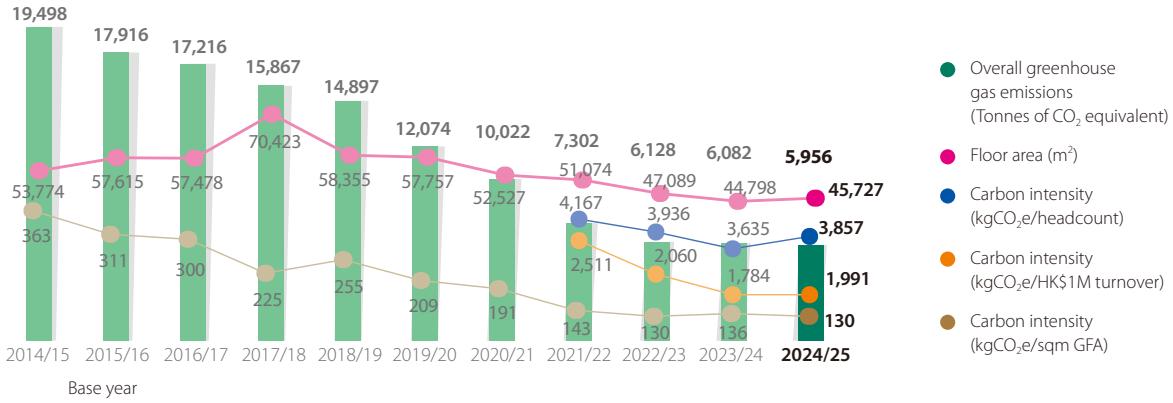
Electricity consumption
3.3%
from last year

Carbon intensity
per sqm GFA
4.1%
from last year

Carbon intensity
per headcount
6.1%
from last year

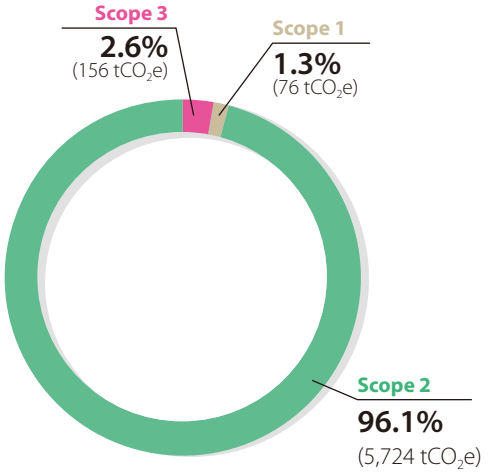
Electricity intensity
per sqm GFA
5.2%
from last year

As at 31 March 2025, we operated a total of 84 stores in Hong Kong and Macau, an increase of two from the last financial year. Our operations generated 5,956 tonnes of carbon dioxide equivalent (CO_2e), a decrease of 126 tonnes (2.1%) from the last financial year.

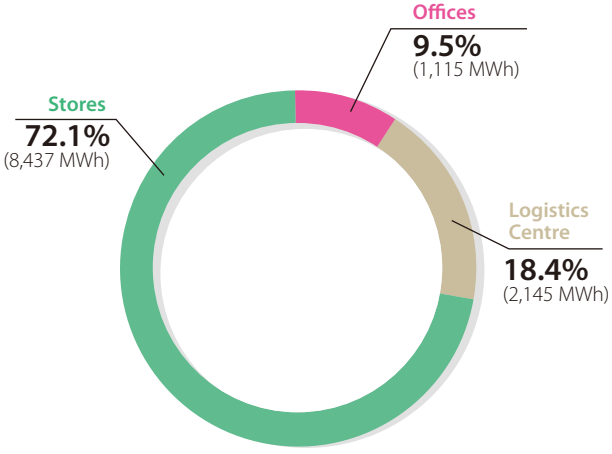


Energy consumption through purchased electricity (Scope 2 emissions) is the source of more than 96% of our total GHG emissions reported. Among our operation facilities, retail stores are responsible for most of the electricity consumed, accounting for 72% of the total, followed by our logistics centre (18%) and offices (10%). During the Financial Year, our absolute electricity consumption decreased by 3.3% and our carbon intensity (per sqm GFA) came down by 4.1% compared to the last financial year.

Scopes 1, 2 and 3 Emissions



Electricity Consumption by Facility Type



Scope 1: Direct GHG emissions
Company-owned trucks and private cars
Scope 2: Electricity indirect GHG emissions
Purchased electricity used in our offices, logistics centre and stores
Scope 3: Other indirect GHG emissions
Business air travel, electricity used for freshwater processing and sewage treatment, trucks owned by external logistics service providers and waste disposal at landfill

Our Initiatives: Climate Actions

In 2024, it has been officially recorded as the hottest year on record, with global temperatures surpassing the 1.5°C threshold above the pre-industrial level for the first time. Heatwaves driven by climate change have swept across the globe, bringing record-breaking temperatures and severe consequences. The Southeast Asia region has experienced unprecedented heat levels. Given that global warming continues to pose a serious threat through rising temperatures, extreme weather events, and severe flooding, it is imperative that we intensify our climate actions to prevent a full-scale climate crisis. We remain committed to supporting the path to net zero and aim to develop a carbon-conscious culture within the workplace, inspiring our people to make responsible decisions and adopt sustainable changes in both consumption patterns and business practices.

Packaging Reduction Charter

We joined the "Packaging Reduction Charter" organised by the Environmental Protection Department (EPD) to foster a waste reduction culture in commercial activities, and support Hong Kong's long-term goals of "zero landfill" and carbon neutrality.

Pledge to Act

During the Year, we pledged to implement action plans to improve ESG performance. "The ESG Pledge Scheme" is organised by The Chinese Manufacturers' Association of Hong Kong in cooperation with the Hong Kong Brand Development Council aiming to strengthen sustainable development among the business and public sectors to build a sustainable environment in future.

Low Carbon Lighting

Committed to energy efficiency, low carbon LED lighting with higher efficacy measured by lumens per watt with savings in energy consumption of more than **15%** installed in **10** stores during the Year.

Energy Conservation

70 fans, **9** air-coolers and sun-blocking curtain installed at our logistics centre as companions to air-conditioning to reduce energy use.

Greener Commuting

Employees shuttle service operating **9** morning routes and **5** evening routes to take our people to and from work to reduce the carbon footprint of our employees.

GS1 HK Quality Food Scheme ESG Award

Commitment to global traceability standards, and our dedication to the United Nations Sustainable Development Goals.

Carbon Reduction Action

Under the "Carbon Reduction Action" campaign, Sa Sa hosted a hybrid Environmental Protection Seminar featuring insights from Mr Lam Chiu-ying, former Director of Hong Kong Observatory, and Mr Angus Ho, Executive Director of Greeners Action, on sustainability, waste challenges, and climate crisis awareness.

Energy Savings Measures in the Workplace

Office

- 100% installation of LED lights
- Use of electrical appliances with energy efficiency label
- Time control for air-conditioners to ensure they are shut down after office hours
- Use real time smart meters to monitor energy use
- Delamping to maintain optimal illumination to under 500 lux
- Turning off idle lights at vacant areas during office hours
- Implementing last person out procedure requiring lights and air-conditioners to be turned off when the office is vacated
- Clear zoning with reference to seating plans to facilitate proper lighting for staff who work overtime after office hours
- Proving energy saving tips and compliments to influence colleagues into changing daily habits like turning off electrical equipment not in use at own workstations

Logistics Centre

- Turning off the lights and air-conditioners in the "robotic operations" zone
- Sensors on conveyor belt to minimise energy use when idle
- 100% installation of LED lighting and motion sensors in areas that are not always occupied
- Interchangeable workstations: run only those in use to avoid energy wastage
- Electric forklifts and EURO V trucks
- Ceiling insulation to increase energy efficiency
- Ceiling fan to increase air circulation to reduce reliance on air-conditioners for cooling
- Zoning of interior space to enable independent control of temperature
- Participate in energy saving campaigns organised by electricity provider
- Provide reusable tableware for employees to use, and arrange collective cleaning of used utensils to reduce water wastage

Stores

- LED and smart lighting
- Thermostat and air curtain
- Timer control
- Signatory to Charter on External Lighting committing to switching off external lighting at preset time to minimise light nuisance and energy wastage
- Switch off the skin and scalp analysis machines and other beauty equipment at stores when not using

Energy Targets and Progress

Progress

70% ↓

Achieved our scope 1 and scope 2 emission reduction target (against base year 2014/15)

Thanks to the concerted efforts of different business unit of Sa Sa, we are pleased to announce that we have achieved our 2025 Scope 1 and Scope 2 GHG emissions reduction targets. In response to changes in the environment and broader climate conditions, the Group's Sustainability Steering Committee continues to evaluate and adapt our strategies, setting ongoing sustainability objectives aligned with our business development and operational strategies.

Performance Overview: Packaging Consumption

Carton boxes
for offline delivery

104,791 kg (2024/25) | 143,316 kg (2023/24)

-26.9% YoY change

Carton boxes
for online delivery

91,357 kg (2024/25) | 146,794 kg (2023/24)

-37.8% YoY change

Plastic shopping bags[1]

1,173,057 pcs (2024/25) | 1,424,252 pcs (2023/24)

-17.6% YoY change

Stretch film
to wrap and secure goods (4-LDPE)

15,713 kg (2024/25) | 16,609 kg (2023/24)

-5.4% YoY change

Air pillows
to fill voids to protect goods in delivery to offline stores (2-HDPE or 4-LDPE)

8,442 kg (2024/25) | 10,927 kg (2023/24)

-22.7% YoY change

Plastic shopping bags consumption intensity (per transaction)

0.12 pcs (2024/25) | 0.13 pcs (2023/24)

-7.7% YoY change

Bubble wraps
to protect goods in online delivery (2-HDPE or 4-LDPE)

8,149 kg[2] (2024/25) | 5,433 kg (2023/24)

+50.0% YoY change

Notes:

1. The paper used in our shopping bags is sourced from responsibly managed forests and certified by the Forest Stewardship Council (FSC). Reusable shopping bags are excluded.
2. The increased use of bubble wrap is to enhance the protection of glass products ordered by customers, so to reducing additional transportation cost (including shipping and packaging), as well as product costs caused by product breakage.

Our Initiatives: Resource Conservation

Governments are implementing regulations and financial penalties to reduce waste disposal. Meanwhile, public awareness regarding recycling is gradually increasing, leading to a greater understanding of how to responsibly manage waste, particularly plastic materials. To achieve long-term sustainable development, it is essential to strike a balance between economic growth and the use of finite resources, thereby extending the lifespan of these resources and effectively addressing global issues such as climate change, biodiversity conservation, and pollution. By reducing and recycling waste, we can lower the costs associated with packaging, waste management, and disposal.

We are examining various segments of the supply chain to integrate sustainability and emission reduction goals into the business objectives of each department. This approach enables the Group to responsibly utilise resources, thereby reducing the use of plastic packaging and carton boxes, while enhancing our reuse and recycling rates. These initiatives include:

- In response to environmental concerns and cost savings during the Financial Year, the logistics department has invested in collapsible, reusable, and highly durable plastic boxes for transporting goods to other operational departments, replacing traditional carton boxes. This change is expected to reduce the consumption of carton boxes by 230,000 annually, resulting in a decrease of **37.8%** in carton boxes usage for online operations and **26.9%** for offline operations compared to last year. However, despite the transition to longer-lasting plastic boxes, the reuse rate of carton boxes has seen a decline of **14.7%** compared to the previous year.

- Increased customer awareness of environmental issues has facilitated the Group's ability to effectively organise bag-free shopping initiatives or promote the use of eco-friendly bags, resulting in a **7.7%** reduction in the plastic shopping bags consumption intensity per transaction during the Financial Year.

- We have a policy in place requiring our stores to seek replenishment of certain products in multiples of the quantity contained in one carton box to avoid having to fill voids in the boxes with air pillows. The use of air pillows has decreased by **22.7%** compared to last year.

- The use of bubble wrap increased by **50.0%**, as compared with last year aiming to enhance the protection of glass products ordered by customers, so to reducing additional transportation cost (including shipping and packaging), as well as product costs caused by product breakage.

- In alignment with the Group's commitment to reducing packaging and supporting sustainable development, we have introduced a new intelligent recommendation system. This system estimates the quantity and size of products in customer orders, allowing us to suggest the most appropriate box size for delivery. This initiative helps minimise the use of filler materials and enhances cost-efficiency in our shipping operations.

- The Group actively promotes a low-carbon lifestyle and raises environmental awareness among employees; during the Financial Year, our paper consumption has decreased by **13.2%**.

- During the Financial Year, we recycled **225** pieces computer equipments through the E-waste collection organised by Environmental Protection Department.

Performance Overview: Water Consumption

Water consumption

11,696 cu.m 2024/25

7,117 cu.m 2023/24

+64.3% YoY change

Water intensity (per headcount)

7.58 cu.m 2024/25

4.25 cu.m 2023/24

+78.4% YoY change

We do not have any issue sourcing water that is fit for purpose.

Water plays an important role in the extraction and manufacturing of cosmetic raw materials as well as the production of finished products. However, the water consumption disclosed in this report does not extend to the supply chain but captures only the tap water used for washing and cleaning purposes which we do not regard as material. Waste water discharge is not a material aspect in our operations.

We are aware nevertheless of the growing concern over water security and we are committed to doing our part to conserve water which we all depend on to survive. Starting from the financial year 2023/24, the increase in water usage is mainly due to a reduction in employees working from home after the pandemic.

Our Initiatives: Water Conservation

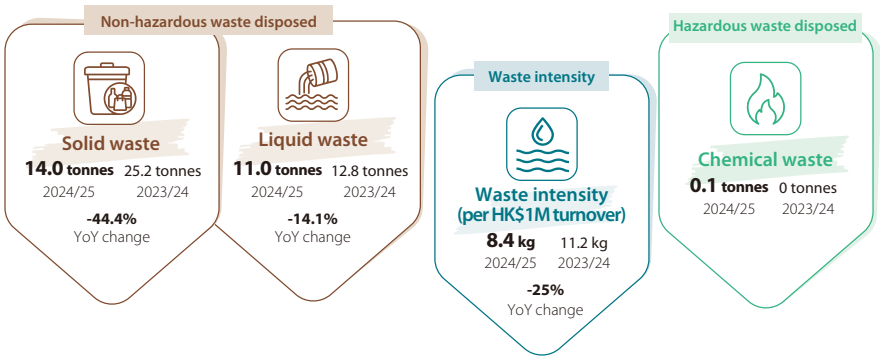
We ensure water conservation icons are placed next to the water faucets in our facilities, and flow controllers for water taps have been installed at our logistics facilities and offices to improve water efficiency. Each flow controller is estimated to save around **30%** of water annually.

The reduction in our water consumption between 2019 and 2023 was due partly to the concessions granted by the HKSAR Government in the period from 1 December 2019 to 31 July 2023 as relief measures to support businesses, since our water consumption was calculated by reference to the water and sewage charges paid in each financial year. The end of the concessions on 31 July 2023 resulted in a significant increase in consumption in these two financial years.

The Group has implemented inspection and maintenance of the water supply system to ensure its reliable operation and to prevent water wastage caused by equipment failures to minimise our environmental impact.

Our target is to reduce water consumption every year compared to the previous year, at a reasonable extend, we also anticipate that, following the implementation of water savings measures, water consumption will be maintained at a similar level. There may even be a slight increase, as employees reduce purchases of bottled water and instead utilise the Company's water supply system. Nevertheless, overall, these measures are expected to bring benefits to water resource conservation and environmental protection.

Performance Overview: Waste[Note]



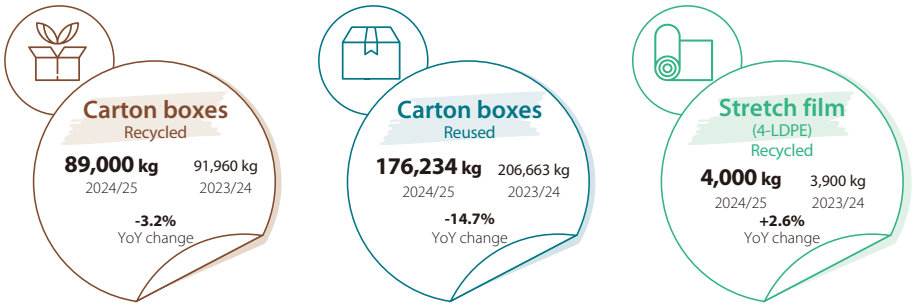
Zero Landfill Vision

Our vision is to achieve zero landfill in line with the SAR Government's Waste Blue Print for Hong Kong 2035. In the financial year ended 31 March 2025, we disposed **11.2** tonnes less of solid waste and **1.8** tonnes less of liquid waste.

Our target is to increase waste diversion from landfills by reusing and recycling and to consume fewer office paper every year. Our progress is reported in the "Reuse and Recycle" section below. During the Year, we consumed **13.2%** less paper. Paper use intensity per headcount dropped by **5.9%**.

Note: Solid waste comprised mainly damaged, obsolete or expired products or materials as well as materials such as backing paper for adhesive labels which are not recyclable. Liquid waste comprised mainly damaged or expired products containing liquid. Chemical waste consisted mainly of items such as expired or damaged perfumes, nail vanish and remover, which are flammable.

Performance Overview: Reuse and Recycle



Our Initiatives: Reduce, Reuse and Recycle to Minimise Waste

- We continue to raise awareness among our stakeholders to encourage waste separation and recycling and to discourage the use of non-reusable items.
- We educate our staff on waste classification and use a carrot and stick approach to encourage recycling.
- We stopped using single-use utensils at corporate events like birthday parties and working lunches.
- We continuously improve our recycling facilities to make waste separation more convenient.
- Recycling facilities are usually provided for our stores located in malls by landlords. For street stores, we very often rely on cardboard collectors in the community. Previous studies conducted internally have revealed that stores with environmentally conscious staff do much better in waste separation and recycling than others. We are constantly engaging with our people to raise awareness and promote behavioural change which we believe are key drivers towards a greener future.
- Carton boxes used in our store replenishment are reused as many times as possible, and to encourage our store staff to help return the carton boxes to our logistics centre for reuse after unpacking, we offer small rewards to our store staff for their good work.

Building Greener Communities and a Sustainability Mindset

Green Christmas

Christmas party free from single-use plastic tableware attended by hundreds of staff in the office.

Recycling of Mooncake Boxes

Mooncake boxes collection in the office and sending them to Green@Community for recycling.

Transform Food Waste to Fertiliser

The logistics warehouse office has introduced a "Food Waste Processor" to enable colleagues to recycle kitchen waste, which is then transformed into fertiliser for planting, creating a friendly food ecosystem.

Reduce Food Waste by Donating Excess Mooncakes

Collection of excess mooncakes in the office and sending them to Food Angel for distribution to the under privileged.

Lai See Reuse and Recycle

2,600 kg of Lai Sees (red packets) collected from our staff, customers and community in the Lai See Reuse and Recycle Program organised by Greeners Action which we have sponsored and participated for 12 consecutive years. The red packets collected are sent to Sheltered Workshops[1] for sorting, packing and transformation into "reborn" red packets that can be reused while creating job opportunities.

We believe that the aim of the campaign is to provide opportunities for the red packets to be reused, rather than focusing solely on the quantity collected. While this year's recycling figures was notably lower than that of last year, this change may be influenced by several factors. These could include increased public awareness of reused red packets and change the habit of giving red packets from a pair to only one, might lead to a decrease in the quantity collected.

Our aim remains to promote continuous awareness and understanding of the importance of recycling, fostering a sustainable attitude towards environmental responsibility in the long term.

1. Shelter workshops provide persons with illnesses or disabilities who are not able to enter into open employment with appropriate vocational training in specially designed environment through income generating work process to prepare them for open employment and community reintegration. We have collaborated with one more shelter workshop in this Financial Year to provide more job opportunities for the underdog in society.

Performance Overview: Paper Consumption

Consumed

Offices	307,753 pcs	(1,539 kg)
Logistics centre	538,191 pcs	(2,691 kg)
Stores	1,945,809 pcs	(9,729 kg)

By pieces

2,791,753 pcs (2024/25) 3,214,870 pcs (2023/24)

-13.2% YoY change

By weight

13,959 kg (2024/25) 16,074 kg (2023/24)

-13.2% YoY change

Recycled

	2024/25	2023/24
Offices	18,747 kg	18,886 kg
Logistics centre	89 kg	174 kg

Total

18,836 kg (2024/25) **19,060 kg** (2023/24)

-1.2% YoY change

Paper use intensity (per headcount)

1,808 pcs (2024/25) **1,922 pcs** (2023/24)

-5.9% YoY change

Paper use intensity (per HK$1M turnover)

933 pcs (2024/25) **943 pcs** (2023/24)

-1.0% YoY change

Our Initiatives: Smart Packaging and Green Logistics

Advanced Smart Packaging Recommendation System

In alignment with the Group's commitment to reducing packaging and supporting sustainable development, we have introduced a new intelligent recommendation system. This system estimates the quantity and size of products in customer orders, allowing us to suggest the most appropriate box size for delivery. This initiative helps minimise the use of filler materials and enhances cost-efficiency in our shipping operations.

Recycled Packaging Materials from Supplier

We reuse packaging materials from our suppliers, (such as bubble wrap, carton boxes, and air pillow), to avoid using new packaging materials and enhance environmental benefits.

Sustainable Logistics Initiatives

To promote environmental sustainability and reduce costs, during the Financial Year, the logistics department has purchased collapsible, reusable, and durable plastic crates instead of traditional carton boxes for transporting goods to other operational departments. It is expected to reduce the use of 230,000 carton boxes annually.

Compliance with Laws and Regulations

We are committed to adhering strictly to all relevant environmental laws and regulations. During the Financial Year, we maintained full compliance, with no instances of non-compliance. We are committed to complying with or participating in the following charters and regulations:

Environmental Compliance & Regulation

- Air pollution regulations regulating volatile organic compounds (VOC) and the switching off of idling vehicle engines
- Chemical waste control scheme
- Laws relating to protection of endangered species
- Regulations of certain single-use disposable plastics effective 22 April 2024
- Plastic bag charging scheme

Voluntary Sustainability Initiatives & Charters

Beyond compliance, we undertake voluntary initiatives to promote sustainability and environmental stewardship, including:

- Charter on external lighting
- Bye Bye Microbeads Charter
- Producer responsibility scheme on glass beverage containers effective 1 May 2023

OUR PEOPLE

Fostering Two-way Communication and Shared Development – Making Life Beautiful Together

Empower Our People – Our Commitments

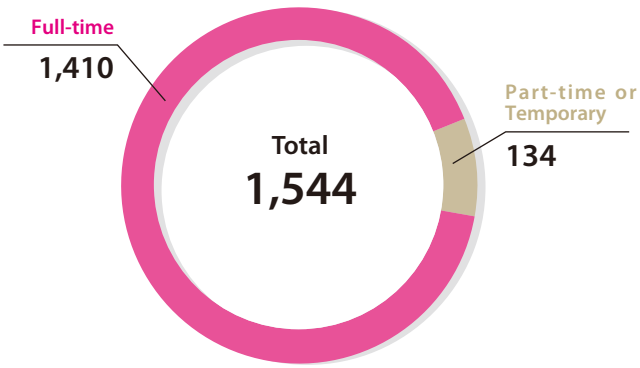
- Invest in training and development
- Developing women leaders in the retail industry
- Promote equality, diversity and inclusion

Our commitments to our people are set out in our Employment Policy, Training and People Development Policy, Health and Safety Policy, and Equal Opportunities Policy.

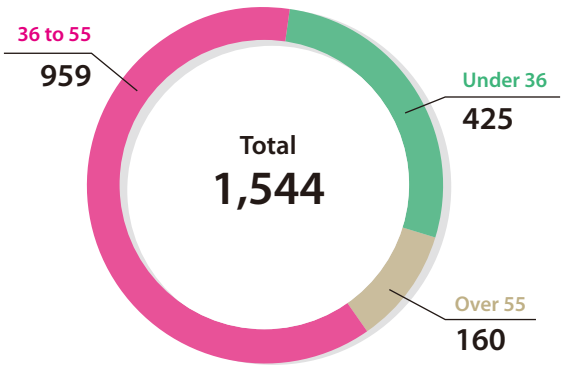
Our principal subsidiary in Hong Kong is also a signatory to the Mental Health Workplace Charter.

Employees Profile

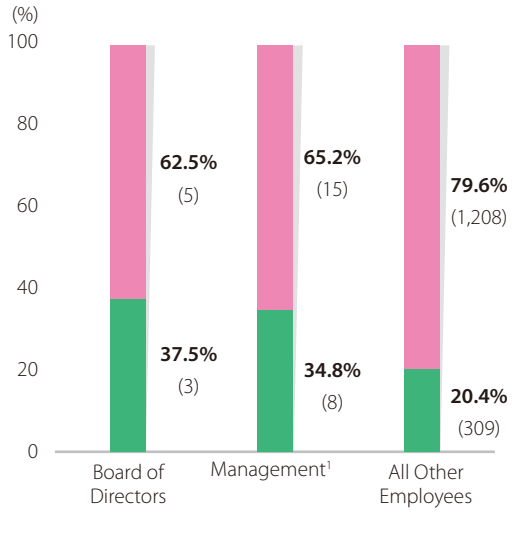
Number of Employees by Employment Type



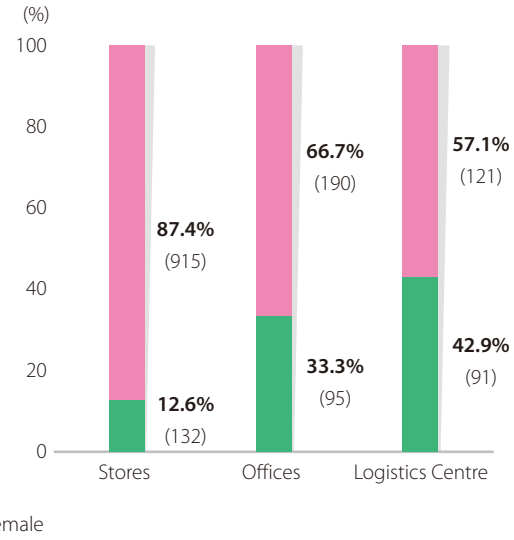
Number of Employees by Age Group



Gender Distribution by Seniority (Number of Employees)



Gender Distribution by Function (Number of Employees)



Performance Overview: Empowering Our People

Percentage of Employees Who Received Training

96.6% 2024/25 | 89.1% 2023/24

+7.5 percentage points YoY change

Women in Leadership

	2024/25	2023/24
Directors	**63%**	56%
Management	**65%**	65%

Number of Applicants Who Applied the Management Trainee Programme

1,046 2024/25 | 565 2023/24

+85.1% YoY change

Total Number of Training Hours

278,765 2024/25 | 212,969 2023/24

+30.9% YoY change

Average Hours of Training per Employee

180.5 2024/25 | 127.3 2023/24

+41.8% YoY change

Attracting, retaining and developing our talents are at the top of our agenda as people are our most important assets. We invest in training and developing our people to ensure they have the skills, knowledge and professionalism to deliver outstanding services to our customers.

[1] "Management" in this ESG Report refers to all senior vice-presidents, vice-presidents, department directors and associate directors located in Hong Kong but excludes the Company's executive directors who have been included under Board of Directors.

Our People Strategy

Invest in Training and Development to Enable Our People to Stay Ahead of the Curve

Interactive training, e-learning, field coaching, mentoring and external training are provided to support continuous development and acquisition of new skills and to ensure our people has the knowledge and expertise to excel in their job.

Competitive Remuneration and An Engaging Workplace to Attract and Retain Talents

Our remuneration and benefits[1] are benchmarked against market and industry average to ensure they remain competitive. We engage with our employees through regular communication and feedback and team building activities.

Performance Management

We conduct performance appraisals and assess key performance indicators at regular intervals and provide advancement opportunities with visible career path to our people.

Incentivise and Pay for Performance

We have performance linked bonus and shares options or awards to motivate our people. As a customer centric company, we reward store staff who receive praise and compliments from our customers.

Equality, Diversity and Inclusion

We operate an equal, diverse and inclusive workplace with no gender pay disparity. We have zero tolerance over discrimination and workplace harassment.

Respect Human Rights

We are committed to providing a workplace free from modern slavery, forced labour, child labour and all forms of exploitation while respecting freedom of association and collective bargaining.

Health and Wellness to Foster a Sustainable Work Life

Employees health and wellness are fundamental to the sustainability of our business. Work life balance improves productivity, physical and mental health. Different health and wellness programs are organised to foster a sustainable work life.

Occupational Health and Safety

While retailing is not a high risk industry with frequent workplace safety concerns, we can never be too careful when it comes to occupational health and safety.

We have been accredited as a Super Manpower Developer under the ERB Manpower Developer Award Scheme demonstrating our outstanding achievements in manpower training and development. The effectiveness of our manpower training and development strategies and practices are reviewed and evaluated in accordance with a set of objectives and assessment criteria established by an independent technical consultant of the Scheme. The effectiveness of our employment related policies and practices are also reviewed regularly to ensure they remain up-to-date and relevant to a future-ready workforce.

[1] On top of statutory leave and benefits, we offer other benefits including sick leave, birthday leave, compassionate leave, marriage leave, annual leave, medical insurance, education subsidies, performance based discretionary bonus, share options or awards linked to performance, WFH arrangements and flexible working hours in special circumstances, staff discounts, purchase of festive food and household products at bulk purchase price, housing allowance or staff quarters for certain staff, leave work early on special festivals and free shuttle bus service to work.

Recognition of Professional Qualifications

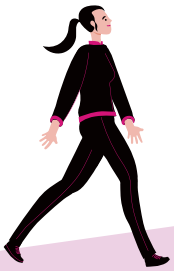
Some of our professional beauty consultants have served our customers for more than a decade. To better recognise their expertise in the beauty industry, Sa Sa has joined the Recognition of Prior Learning programme, a mechanism under the Hong Kong Qualifications Framework (HKQF). It provides an alternative route for beauty practitioners to obtain recognised qualifications based on their work experiences and enables them to facilitate their on-going professional development.

To further enhance the career potential of our talents, Sa Sa Beauty Academy ran by our in-house Training and People Development department has successfully applied for the HKQF accreditation recognised by the Hong Kong Council for Accreditation of Academic and Vocational Qualification in July 2019.

Four subjects of our Junior Beautician Trainee (JBT) programme are now recognised under the HKQF's level-two programme:

- Identification of various types of skin and skin care
- Use of general cosmetic products and tools
- Building up relationship with customers
- Use of good communication skills to facilitate transactions

Development and Advancement Opportunities for Our Frontline Staff



Junior Beautician Trainee

Total: 140 hours

We hire candidates with one to two years of work experience for this role, and provide four months of training which includes:

- Customer service
- Product knowledge
- Skin analytical techniques
- Make-up product knowledge and techniques
- Fragrance product knowledge
- Health food product knowledge
- Sales techniques

Our sales trainees and management trainees are also required to complete the JBT curriculum.

Beauty Consultant

Total: 38 hours

Continuous training for our Beauty Consultants:

- Advanced product knowledge
- Advanced customer service
- Sales techniques and customer psychology

Big Sister and Big Brother

Total: 18 hours

There are more than 116 Big Sisters and Big Brothers in Sa Sa currently. This scheme aims to develop our experienced colleagues into coaches to train junior colleagues, thereby enabling the transfer of valuable knowledge and provisions of mentorships for the junior staff. Each Big Brother or Big Sister will guide one or two of their junior colleagues. Through coaching others, the Big Brothers and Sisters can also learn new skills to prepare themselves for shop supervisor role.

Outstanding Big Sister/Big Brother and Shop Trainer

Total: 40 hours

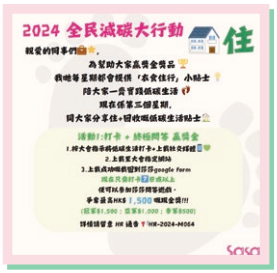
Big Brothers and Big Sisters can further develop their skills with the aim to becoming a team leader or shop supervisor at Sa Sa. They gain knowledge of personnel management in preparation for promotional or other opportunities.

Our People Development Initiatives

Engaging our People

121 morning/night meetings held during the Year, providing a two-way communication platform for operation managers and frontline colleagues to share best practices, success stories and challenges and for back office staff to learn and gain insights into store operations to better develop supporting and communication strategies so everyone can work more effectively and efficiently with well aligned business goals.

Encouraging Low-carbon Lifestyle



During November 2024, we shared tips on clothing, food, accommodation, and transportation weekly via our internal social platform, encouraging colleagues to practise a low-carbon lifestyle.

Multi-modal Training to Enrich Learning Experience

213 training modules available on the Company's e-learning platform and **209** interactive offline skill development trainings conducted by our inhouse training team during the Year, not including trainings (external or internal) on specific topics like fraud, cyber security, ethics, regulatory compliance or workplace safety which are disclosed in other parts of this report.

Long Service Award

We proudly celebrated a remarkable cohort of **122** colleagues from our frontline, office, and logistics teams, who have achieved significant milestones of service ranging from 10 to 40 years. We extend our heartfelt appreciation to all our beloved Sa Sa members, for their invaluable contributions to our success.

A Glimpse of Our Training and Development Courses

- Service Standard
- Leadership and Coaching Skills
- Product Knowledge
- Model Shops
- Solving Customers Problems and Handling of Complaints
- Communication and Presentation Skills
- KOL Live Streaming Practical Training

Employees Health and Wellness

The Company has always taken pride in being a "Caring Company". Improving employees health and wellness to foster a sustainable work life and prevent burnout or mental problems is at the heart of our talent development strategy.

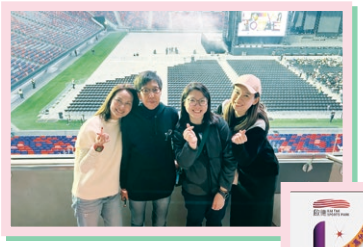
First-Aid Course to Assisting Others and Ourselves

In collaboration with Hong Kong St. John Ambulance, we organised Sa Sa First Aid Training. 27 Sa Sa colleagues joined the training to acquire essential first aid skills to help others and assist themselves in emergencies.

Sharing Love in "FOUR in LOVE" Charity Live Concert

As a supporting organisation of The Community Chest of Hong Kong, Sa Sa participated in the "FOUR in LOVE CHARITY LIVE 2025" concert, held on 18 January 2025 at the Kai Tak Stadium. This was the first concert held at the new Kai Tak Stadium.

All proceeds from the concert, after deducting costs, will be donated in full to The Community Chest of Hong Kong to support charitable causes and promote the development of local youth initiatives.



Celebrating Chinese New Year with Creativity

In partnership with Greeners Action, our Sa Sa Staff Recreation Club hosted a delightful CNY decoration workshop. Together, we transformed recycled red packets into beautiful festive decorations, showcasing our dedication to sustainability.

Natural Mosquito Repellent Workshop

To prepare for the outdoor activities in the summer, the Sa Sa Staff Recreation Club hosted two engaging sessions of Natural Mosquito Repellent Workshop to dive into the world of natural ingredients, blending essential oils and learning the art of crafting their custom repellents.

Occupational Health and Safety: Performance Overview

Work Related Injuries

10 cases 2024/25

12 cases 2023/24

-16.7% YoY change

Lost Days due to Work Injury

74 days 2024/25

239 days 2023/24

-69.0% YoY change

Work-related Fatalities

None in each of the past four years including financial year 2024/25

Occupational Health and Safety

Safety audit conducted by an independent registered safety auditor once a year at the warehouse. We attained an overall score of **93.8%** (last year: 92.5%) upon evaluation of **14** aspects in the implementation of a safety management system.

Regular safety inspections of the warehouse and annual safety assessment of outsourced contractors.

Safety committee comprising 10 committee members held **4** meetings during the year with safety representatives and representatives from warehouse management, workers and out-sourced contractors.

4 occupational health and safety training organised during the year on, (i) Working Pressure; (ii) Prevention of Upper Limb Strain; (iii) Importance of exercise for workplace safety and (iv) Precautions and Prevention of Back Strain During Manual Labour.

Implement height restrictions for placing goods on the top shelf of the storage racks to prevent injuries.

Install protective devices and safety warning labels on the IRLS machine in the logistics warehouse.

Compliance with Laws and Regulations

The below laws and regulations are relevant to us but are not regarded as having a significant impact on our operations.

- Employment and employees compensation legislation
- Occupational health and safety legislation
- Anti-discrimination legislation
- Anti-bribery and corruption legislation

There was no non-compliance with anti-discrimination or employment related laws or regulations during the Year.

We do not force our employees to work overtime or employ child labour. We provide rest days, breaks during working hours, annual leave and sick leave over and above the statutory requirements. There were no cases of child or forced labour in the Financial Year.

Our Whistleblowing Policy provides the necessary mechanisms for employees to report misconduct within the Company. Complaints are handled by our internal audit team and findings reported to the audit committee of the Company. To ensure ethical business practices, the Company and its employees are also guided by our Gifts and Entertainment Policy, Conflict of Interest Policy, Guidance on Prevention of Bribery Ordinance and Vendors Code of Conduct.

One seminar conducted by the Independent Commission Against Corruption was provided to general staff in the financial year ended 31 March 2021, and one training to the Company's directors on anti-corruption was conducted in the financial year ended 31 March 2023.

No legal case relating to anti-corruption was brought against the Company or any of our employees during the reporting period.

Please also refer to the section on Ethical Business Practice in the Enterprise Risk Management Report on page 117-124 of this annual report for further details on how we guard against corruption, fraud and unethical business practices.

OUR CUSTOMERS

Serving with Heart, Caring with Purpose

Serve With Heart – Our Commitments

- Commit to product quality and safety
- Integrate consumer rights and protection into customer experience
- Inclusive beauty: quality products which are accessible and affordable to all
- Manage environmental and social risks along the supply chain

As a leading go-to beauty store, we take pride in offering personalised beauty by our frontline professional beauty consultants with a complete range of beauty products across different price points to meet the evolving needs of today's customers.

As an accredited merchant in more than 20 consecutive years under the Quality Tourism Services Scheme administered by the Hong Kong Tourism Board, our retail stores are assessed every year against objective measurements.

Additionally, our stores are regularly evaluated and graded by our training, customer service, and internal audit teams to ensure consistent excellence in both products and service. We also have an internal customer satisfaction measurement system and a rewards program for frontline staff who deliver outstanding service.

Our commitment to product quality and safety, responsible marketing and the protection of customers privacy are set out in our Responsible Product and Supply Chain Policy and our Privacy Policy.

Performance Overview: Product Responsibility

Quality and Safety

Product quality and safety are at the core of our operations.

Please refer to the section on Supply Chain Management for more information on how we manage our suppliers to ensure that the products we source are free from quality and safety issues.

In addition,

- Although our logistics department no longer applies for ISO 9001:2015 (quality management system) certification, it continues to act as a gatekeeper to ensure that goods entering our warehouse pass quality control, are properly stored and the expiry dates managed.
- Our buyers look out for prohibited or regulated ingredients when sourcing products.
- Our management directly participate in product safety or quality complaints and investigations. Before the investigation process is completed, we may err on the side of caution and proactively remove the product in question from the shelves.
- We offer a 30-day purchase guarantee to enable customers to return products that they are not satisfied with.
- We are recognised under the "Hong Kong Q-Mark Service Scheme", "The Quality Tourism Service Scheme" and have participated in the "No Fakes Pledge" for over 20 years.

As in previous years, there was zero product recall during the Year.

Adding More Sustainable Beauty Products to Our Offerings*

To combat climate change, products that we place on the market need to be more sustainable – durable, reusable, recyclable, energy and resources efficient, protect biodiversity and kinder to Mother Earth. With this as one of our guiding principles when sourcing for new and trendy products, our quest for sustainable products continued.

Clean beauty products free from chemicals that may be harmful

280 clean beauty products (or SKUs) across more than 30 brands available at our stores

Reusable shopping bags made from recycled plastic diverting plastic waste from both the ocean and landfills

18,002 pieces sold during the Year with over 9,722 pieces sold in the Christmas festive season alone

FSC certified paper packaging supporting sustainable forestry

37 of our exclusive products launched during the year used FSC certified paper packaging

Vegan products free from animal-derived substances

49 exclusive vegan products on shelves during the Year

Cruelty-free products not tested on animals

51 of our newly launched exclusive products are not tested on animals

Marine friendly reef safe sunscreen with less threats to marine life and biodiversity

10 different brands to choose from this summer

Ocean friendly microbeads free products to protect marine biodiversity and avoid contamination of the food chain

29 of our exclusive brands are microbeads free

What is Clean Beauty

Products formulated without the following ingredients

- Alcohols (Ethyl-, Methanol-, Isopropyl, Benzyl-)
- Artificial dyes
- Chemical sunscreen (Octinoxate, Oxybenzone)
- Cyclic silicones (D4, D5, D6)
- Formaldehyde/Formaldehyde donors
- Hydroquinone
- Methylisothiazolinone/Methylchloroisothiazolinone MCI/MI/MIT
- Mineral oil/Petroleum/Paraffin
- Octoxynols
- Parabens (Ethyl-, Methyl-, Isobutyl-, Propyl-, Butyl-)
- Phthalates (DBP, DMP, DEP)/Ethyl acetate
- Sodium lauryl sulphate (SLS)/Sodium laureth sulphate (SLES)
- Synthetic fragrances (more than 1%)
- Triclosan

* Only brands or products that have obtained relevant ingredients or official testing certifications are counted.

Engaging Our Stakeholders

Supports Community Safety via 'Scam Journey'

Serving as one of the corporate sponsors for the Hong Kong Police Force's "Scam Journey" Pop-up Experience, Sa Sa sponsored one of our flagship brand – Sasatinnie's product for this meaningful public education programme, which took place from 1 to 7 of December 2024 at YOLO Mall I, Yuen Long, which employs innovative interactive approaches to enhance fraud prevention awareness within our community.

Tailored Makeup Class for Corporate Staff

Our professional makeup artists have conducted makeup classes for staff from various corporations, tailored to meet the specific needs of different industries and workplaces.

Under the guidance and demonstration of our instructors, they learnt how to enhance their personal traits and strengths, resulting in a more professional and attractive appearance. The course fee can be fully redeemed as shopping vouchers, enabling participants to purchase selected Sa Sa products and enhance their beauty routines with ease.

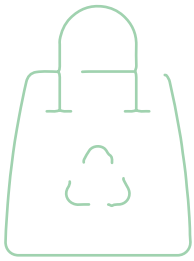
"AI Makeup Genius" Everyday Makeup Challenge

In a proactive gesture of support for the "Hong Kong Happy Shopping Festival" organised by HKRMA, as a platinum sponsor, Sa Sa hosted the "AI Makeup Genius" 10-Minute Everyday Makeup Challenge. It aims to encourage the public to apply smart technology to gain different perspectives on themselves, thereby enhance their confidence and strengths.

Six participants were mentored by Sa Sa's expert makeup artist as they explored our innovative "AI MAKE UP GENIUS" APP to discover personalised makeup styles and identify the most suitable beauty products for themselves. The two winning participants each received HK$1,000 in Sa Sa shopping vouchers.

Be Eco-Friendly, Be Beauty

We have launched the "**Be Eco-Friendly, Be Beauty** (**環保出行，美麗隨行**)" initiative to encourage customers to bring their own shopping bags. We sincerely invite customers to join Sa Sa in protecting the Earth, making every shopping experience more meaningful.



Integrate Consumer Rights and Protection into Customer Experience

We regard consumer protection legislation as having a significant impact on the Company and take active steps to ensure compliance with the standards laid down by such legislation. The three pieces of legislation highly relevant to our operations as a retailer are, the Trade Descriptions Ordinance regulating goods and services with false trade descriptions, forged trademarks and undesirable trade practices; the Personal Data (Privacy) Ordinance governing personal data and giving rights to data subjects; and the Consumer Goods Safety Ordinance and its Regulations requiring consumer goods to be safe and labelled with certain information in certain circumstances.

Our staff are familiar with the rights and protection conferred to consumers through such legislation and regard them as imperative throughout the entire customer experience. Please refer to the section on Compliance with Laws and Regulations in our Corporate Governance Report for the steps that we take to ensure compliance.

There were no other instances of non-compliance with consumer protection legislation during the Year.

Information Security Management

Ensuring the security of information assets is paramount. The Group has established a comprehensive information security mechanism to safeguard enterprise information assets especially consumers' personal information to maintain its privacy and security. We implemented a detailed Information Security Policy to provide clear guidelines for daily information security practices such as classifying information assets based on level of sensitivity and importance, password guidelines to reduce the risk of unauthorised access to sensitive information and systems and security incident response guidelines to raise awareness of potential IT security threats.

To maintain system sustainability, the Group periodically assesses and reviews its systems. During the Financial Year, the Group undertook an SAP cloud migration to enhance efficiency, scalability and security. The migration ensures better performance, streamlined operations and improved data protection. The IT department has developed disaster recovery and data backup plans with regular testings to guard against potential system failures. The transformation reflects the ongoing dedication to innovation and sustainable practices. No significant incidents related to information security or customer privacy are noted during the Financial Year.

For Information Security and Privacy Training details, please refer to Enterprise Risk Management Report on page 122 of this annual report.

Inclusive Beauty: Quality Products which are Accessible and Affordable to All

We believe in inclusive beauty.

As a multi-brand retailer offering over 600 brands and more than 9,000 beauty related and other products with a diverse price range of HK$1 to HK$5,000, from daily necessities to special occasion needs, mass market to premium brands, there is something for everyone regardless of his/her gender, age, nationality, skin tone and budget.

Our OMO (online-merged-offline) business model and the multiple sales channels through which our products are offered also means customers no longer need to go to the products, but rather, the products will be brought to the customers.

Supply Chain Management

Number of suppliers by geographical region

Hong Kong SAR	Asia (excluding Hong Kong)	Europe	America	Others
247 (51.5%)	147 (30.6%)	69 (14.4%)	13 (2.7%)	4 (0.8%)

Supply chain practices

Before engaging a supplier or service provider, we ask for information on both the supplier/service provider and the product/service/solution sought to be supplied to conduct an initial assessment. We may ask for more information or screen information available in the public domain, our business intelligence system or network looking out for red flags throughout the process. The decision to engage the supplier or service provider is usually made after consideration or approval at different levels of seniority within the company ensuring there are checks and balances. We seek to identify commercial risks and environmental and social risks by watching out for:

- legality of the entity providing the product or service
- major regulatory or compliance issues in the past especially those involving trade descriptions, intellectual property infringement, personal data, consumer goods safety, and registration or labelling requirements
- employment issues especially if manual labour or foreign workers are involved in the provision of services
- safety and effectiveness issues, which were dominating factors in the last few years involving face masks and rapid antigen test kits
- ingredients that might be prohibited, limited or not illegal as such but undesirable such as microbeads

We mitigate our risks through contractual provisions, warranties and undertakings, and seeking additional supporting documents as assurance, or third-party certification as appropriate.

For both existing and new suppliers, we are guided by the selection criteria set out in our Responsible Product and Supply Chain Policy. Through regular engagement and communication, we collaborate and exchange views with our suppliers on different matters including sustainability through which we may identify both risks and opportunities and potentially discover environmentally preferable products or services previously unbeknownst to us such as digital solutions or sustainable products. Please refer to the section on our sustainable offerings on page 77 for more details.

The above practices extend by varying degree to the majority of our suppliers except for those perceived to be of low risk because of their scale, reputation, market position or the length of time the products or services have already been available on the market.

For more information on how we manage product quality and counterfeit and ethical business practice in the supply chain, please refer to pages 117-124 of our Enterprise Risk Management Report.

OUR COMMUNITY

Empowering Our Community

Achieve Sustainable Growth Together – Our Commitments

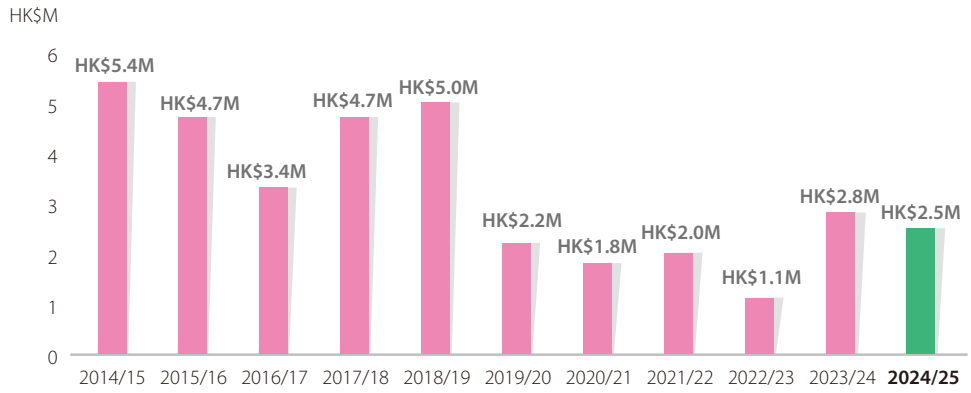
- Invest in the community
- Collaborate to flourish

17 PARTNERSHIPS FOR THE GOALS

Our commitment to invest in the community and foster its development through support in the form of financial and human capital, with a focus on programmes and issues that we are most concerned with, is set out in our Environmental, Social and Governance Policy.

Community Investment

Performance Overview: Amount Invested



Sa Sa has a long history of supporting the community. Since the establishment of Sa Sa Making Life Beautiful Charity Fund in 2013, we have given back a total of HK$35.6 million to the community. Po Leung Kuk, The Community Chest of Hong Kong, The Hong Kong Girl Guides Association and Greeners Action are among the organisations that we support and collaborate with regularly, on top of other NGOs.

In addition, we have also provided sponsorships in kind or in cash to various charitable or community cause.

HK$2.0M	HK$1.7M
2024/25	2023/24

+17.6%
YoY change

Community Engagement

Caring Company Award for over 20 years

Launched by The Hong Kong Council of Social Service in 2002, the Caring Company Scheme aims to foster strategic partnerships between the business and social services sectors to promote good corporate citizenship and create a more inclusive society. We have been awarded under the scheme for over 20 years recognising our efforts in fostering a more caring, inclusive and sustainable community.

15 years+ 商界展關懷 caringcompany Awarded by The Hong Kong Council of Social Service 香港社會服務聯會頒發

Nurturing Next Generation Retail Leaders

Dedicated to actively partnering with various academic institutions and organisations to nurture the next generation of retail leaders, we have been providing resources, mentorship, and real-world opportunities, aiming to equip students with the skills and knowledge needed to excel in the evolving landscape of new retail. Our collaborations focus on fostering innovation, applying cutting-edge technologies, and inspiring young talents to become industry pioneers.

Lingnan University Business Case Competition 2025

We had an exciting collaboration with Lingnan University for their Business Case Competition. Two of the student teams analysed and tackled real-world challenges faced by Sa Sa, delivering standout performances that earned them 1st runner-up and Merit Awards.

HKRMA Retail Reimagined Challenge 2025

We are proud of TEAM 10 from CUHK, mentored by Sa Sa management, for making it to the final round. Their marketing video was awarded the "Most Popular Award," achieving the highest number of likes and views among the top 15 submissions. Their project showcased a creative application of AI technology, marketing intelligence, and the trending experiential travel, merging our OMO strategy.

Sa Sa x Cambridge Consulting Network (Hong Kong) Project

In collaboration with the Cambridge Consulting Network, Sa Sa engaged a team of students over three months to address challenges related to Gen Z marketing strategies, and sustainable profitability.

Sa Sa Summer Internship Programme

We warmly welcome enthusiastic interns joining us from different institutions, bringing fresh perspectives to our team.

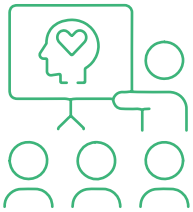
Providing Employment Opportunities for Disadvantaged Groups

Since 2023, the Logistics Department has outsourced basic packaging tasks to Fu Hong Society, creating employment opportunities for disadvantaged communities. As the partnership has matured, Sa Sa has further collaborated with another social welfare organisation, YMCA, to outsource additional value-added services for various products. Up to the date of this annual report, the partnership has handled over 20,000 items.

Promoting Health and Wellness

Online Wellbeing Seminar – Stress Management and Sleep Disorder

Online health seminar hosted by AIA for Sa Sa employees, providing insights into recognising the body's signs of stress and equipping staff with strategies to identify and address health concerns early.



Diabetes Risk Assessment for Better Health

Sa Sa collaborated with the Angel of Diabetic to provide free diabetes risk assessments and valuable health tips for our colleagues.

Fund Raising to Meet Critical Needs and Create Positive Impact

Non-profit organisations play a significant role in modern society providing a diverse range of services to vulnerable families and individuals. The NGOs we support rely on funds from the community to deliver those support and services. We encourage our people to do their part by volunteering and donating for worthy causes and have rewards and recognitions in place to promote participation.

2025 Standard Chartered Marathon

Our efforts supported the St. James' Settlement and the "Futuremakers' First Job Youth Employment and Subsidy Programme", which helps equip graduates with essential job training, employment support, and rapid career coaching to launch their careers successfully.

Dress Casual Day 2024 Wear to Care

With a special theme of "Wear to Care" in the Dress Casual Day, all proceeds from this event went to supporting more than 160 social welfare member agencies of the Community Chest. Our staff generously donated to the event and turned up for work in their casual outfit.

The Community Chest Walk for Millions – Charity Walk in Hong Kong & Kowloon, and the New Territories

Our Sa Sa volunteer team participated in the "Hong Kong & Kowloon Walk for Millions" and "the New Territories Walk for Millions", respectively, working to help build a brighter future for underprivileged communities in our local neighbourhoods.

Po Leung Kuk Charity Raffle 2024 and Girl Guides Charity Raffle 2025

Sa Sa actively participated in the Po Leung Kuk Charity Raffle Fundraising Campaign, aiming to support Po Leung Kuk's various charitable initiatives. Through this initiative, we hope to bring more care and resources to those in need and contribute to a more harmonious and compassionate society.

We also support the Hong Kong Girl Guides Association in nurturing young people's good character and sense of social responsibility, while bringing greater care and resources to those in need.

Amazing Greeners Fight for No Plastic – Kat O 2.0

As part of our ongoing commitment to sustainability through "Carbon Reduction Action" campaign, we joined the "Amazing Greeners – Fight for No Plastic" initiative organised by Greeners Action at Kat O.

Po Leung Kuk Flag Day

Our continuous support in the Po Leung Kuk Flag Day allow us to come together as a community to make a difference.

MATERIALITY ASSESSMENT

Our last materiality assessment was conducted in the financial year ended 31 March 2023. 18 issues across three categories – customer journey, business operation and workforce – were identified through peer benchmarking analysis and internal assessment. 11 local, regional and international cosmetic or retail companies were selected for the peer benchmarking analysis.

The assessment enabled us to better align our goals and priorities with stakeholders expectations. During the financial year ended 31 March 2025, we continued to engage with our key stakeholders, principally business partners, investors, customers and our employees through regular dialogues in different communication channels, and in both formal and informal setting like thematic forums and community activities. Key concerns of our stakeholders include packaging waste, sustainable product offerings, digitalisation of the retail operation, sustainability mindset and knowledge, and customers communication. 95% of internal respondents in the materiality assessment survey supported the Company doing more in sustainability which is of great assistance in our sustainability development journey.

Stakeholders Engaged

Banks
Board
Customers
Employees
Investors
Landlords
Management
NGOs
Service Providers
Suppliers
Trade Associations
Universities career services units

Surveys sent to over **50,000** individuals from **12** stakeholder groups

21% response rate within which **16%** provided free text feedbacks

In-depth **one-on-one** interviews with institutional investors

Materiality Assessment Process

Review corporate vision, existing sustainability initiatives, past materiality assessment process and results

Align directions and expectations to prepare for the materiality assessment

Peer analysis of material issues

Selection of material issues specific to Sa Sa

Survey design seeking to avoid biased survey questions. Use of best-worst scaling asking respondents what they prefer most and what they prefer least to simulate real-world behaviour of making trade-off in constraints.

Survey sampling. Stakeholders identification and determination of sample size

Survey invitation and managing response

Development of discussion guide for in-depth one-on-one interviews with institutional investors

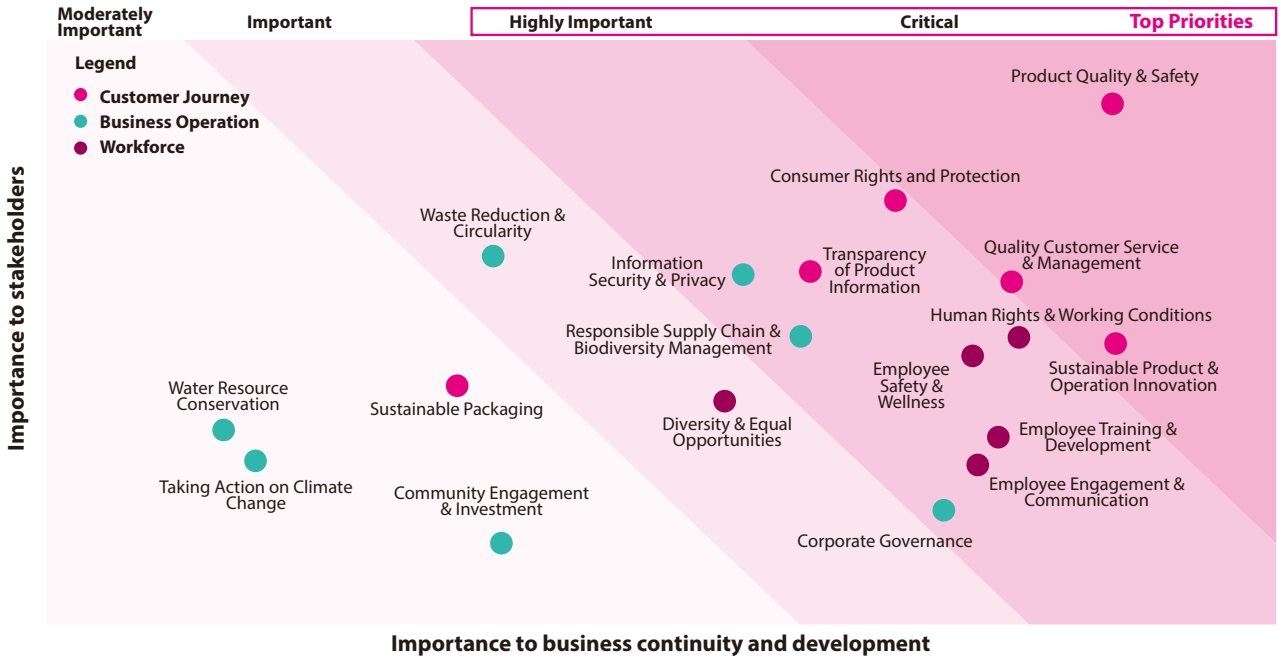
Interview invitation and conducting the interviews

Analysing survey results and findings from interviews

Survey analytic report and investors interview insight report prepared and presented to the Board and Management

Validation of the materiality assessment result and mapping of the material issues according to five levels of importance

Materiality Matrix



ABOUT THIS REPORT

This is our 14th ESG report. The report covers the Group's online and offline operations in Hong Kong and Macau conducted under two of our wholly-owned subsidiaries, Sa Sa Cosmetic Company Limited and Sa Sa dot Com Limited which, together, contributed to around 80% of the Group's total turnover in the year ended 31 March 2025. The reporting boundary remains the same as in previous years. All data reported are based on the principles of materiality, quantitative, balance and consistency. Any changes to the methodologies adopted or assumptions made are disclosed in the notes to the sustainability data to enable a meaningful comparison. The report is in full compliance with the mandatory disclosure requirements and the "comply or explain" provisions as set out in Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide. In this ESG report, insignificant decimals in the data have been rounded off while percentage changes are calculated based on original values leading to rounding differences in some cases.

We welcome your feedbacks. Please do not hesitate to write to us at esg@sasa.com if you have any comments.

SUSTAINABILITY DATA: SOCIAL

Description			Unit	2024/25	2023/24	2022/23
Headcount	**Total**		persons	**1,544**	1,673	1,557
	By gender	Male	persons	318 (20.6%)	349 (20.9%)	322 (20.7%)
		Female	persons	1,226 (79.4%)	1,324 (79.1%)	1,235 (79.3%)
	By age group	under 36	persons	425 (27.5%)	598 (35.7%)	508 (32.6%)
		36-55	persons	959 (62.1%)	938 (56.1%)	926 (59.5%)
		Over 55	persons	160 (10.4%)	137 (8.2%)	123 (7.9%)
	By employee type	Full-time	persons	1,410 (91.3%)	1,484 (88.7%)	1,430 (91.8%)
		Part-time/Temporary	persons	134 (8.7%)	189 (11.3%)	127 (8.2%)
Total no. of employees trained			persons	**1,491**	1,491	426
Total no. of training hours			hours	**278,765**	212,969	58,585
Average hours of training per employee (percentage of employees who received training)	**Total**		hours	**180.5 (96.6%)**	127.3 (89.1%)	37.6 (27.4%)
	By gender	Male	hours	103.5 (91.2%)	55.9 (85.4%)	5.3 (31.7%)
		Female	hours	200.5 (98.0%)	146.1 (90.1%)	46.0 (26.2%)
	By Employee category	Management	hours	28.9 (74.1%)	19.9 (60.0%)	10.1 (79.2%)
		Managers	hours	194.3 (91.7%)	140.9 (90.6%)	33.1 (43.1%)
		All other employees	hours	181.2 (98.0%)	126.7 (89.4%)	39.0 (23.4%)
	By Function	Stores	hours	241.8 (99.1%)	168.6 (88.6%)	43.2 (9.2%)
		Office	hours	24.1 (64.9%)	16.6 (55.2%)	8.7 (57.9%)
		Logistics Centre	hours	88.3 (126.4%)	62.2 (141.0%)	50.0 (76.6%)
Fatality			cases	**0**	0	0
Work-related injuries			cases	**10**	12	18
Lost day due to work injury			day	**74**	239	503
Average days of sick leave taken by employee per month			day	**0.27**	0.30	0.43

	2024/25		2023/24		2022/23	
	Overall	**Excluding employees who left during probation period**	Overall	Excluding employees who left during probation period	Overall	Excluding employees who left during probation period
Turnover rate[1]	**23.2%**	**11.1%**	29.6%	17.9%	39.6%	29.6%
By gender						
Male	24.3%	11.9%	32.0%	15.7%	46.9%	34.0%
Female	22.9%	10.8%	29.0%	18.5%	37.6%	28.4%
By gender						
under 36	39.7%	22.1%	42.6%	24.4%	59.1%	42.6%
36-55	15.6%	6.4%	21.7%	13.2%	26.9%	19.9%
Over 55	23.4%	N/A	33.2%	25.4%	50.8%	48.8%

Note to the Sustainability Data:

1. Full-time employees only.

SUSTAINABILITY DATA: ENVIRONMENTAL

Description			Unit	2024/25	2023/24	2022/23	Baseline	Base Year
GHG Emissions[1]	**Total (GHG emissions)**		tCO_2e	**5,956**	6,082	6,128	19,498	2014/15
	Total (Scope 1 and Scope 2)		tCO_2e	**5,800**	5,966	6,023	19,200	2014/15
	Scope 1	Company-owned trucks and private cars[2]	tCO_2e	76	83	92	137	2014/15
	Scope 2	Purchased electricity used in our offices, logistics centres and stores[3]	tCO_2e	5,724	5,883	5,931	19,063	2014/15
	Scope 3	**Total (Scope 3)**	tCO_2e	**156**	116	105	298	2014/15
		Business air travel	tCO_2e	28	10	2	143	2014/15
		Electricity used for fresh water processing and sewage treatment	tCO_2e	8	5	2	18	2014/15
		Trucks owned by the external logistics service providers	tCO_2e	102	73	70	242	2016/17
		Waste disposal at landfills[4]	tCO_2e	18	28	31	32	2021/22
Carbon Intensity			kg CO_2e/sqm GFA	**130**	136	130	363	2014/15
			kg CO_2e/HKD1m turnover	**1,991**	1,784	2,060	2,663	2014/15
			kg CO_2e/headcount	**3,857**	3,635	3,936	4,167	2021/22
Energy consumption	**Total (Energy consumption)**		MWh	**11,995**	12,413	12,373	26,392	2014/15
	Electricity Consumption (indirect)	**Total (Electricity consumption)**	MWh	**11,697**	12,090	12,018	26,392	2014/15
		Stores	MWh	8,437	8,594	8,130	23,105	2014/15
		Offices	MWh	1,115	1,187	1,201	1,407	2014/15
		Logistics centre	MWh	2,145	2,309	2,687	1,880	2014/15
	Non-renewable fuel consumption (Petrol and Diesel)		MWh	**298**	323	355	538	2021/22
Electricity intensity			kWh/sqm GFA	**256**	270	255	491	2014/15
			kWh/HKD1m turnover	**3,909**	3,546	4,040	2,604	2014/15
Water consumption[5]			cu.m	**11,696**	7,117	3,819	30,691	2014/15
Water intensity[6]			cu.m/headcount	**7.6**	4.3	2.5	3.3	2021/22
Vehicle Fuel Consumption	**Total (Vehicle fuel consumption)**		L	**67,482**	59,278	61,156	140,458	2016/17
	Company-owned trucks and private cars		L	28,712	31,455	34,581	50,119	2014/15
	Trucks owned by external logistics service providers		L	38,770	27,823	26,575	81,800	2016/17
Vehicle fuel efficiency			L/sqm GFA	**1.5**	1.3	1.3	0.9	2014/15
			L/HKD1m turnover	**23**	17	21	19	2014/15
Vehicle emissions	So_x		g	**1,074**	936	964	2,115	2016/17
	No_x (for trucks only)		g	**375,480**	831,578	798,485	798,485	2022/23
	PM* (for trucks only)		g	**37,222**	77,385	74,072	74,072	2022/23

Notes to the Sustainability Data:

1. GHG emissions are calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition) issued by EMSD & EPD. See breakdown by facilities on page 56. The global warming potentials used for calculation are adopted from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report.
2. Comprised of emissions from the delivery trucks and private cars owned by the Company as in previous years, but emissions based on the petrol consumption of two employees paid for by the company excluded based on materiality since financial year 2021/22. Refrigerant and FM200 also excluded based on materiality.
3. Emissions associated with electricity purchased are calculated based on the latest available emissions factors provided by the power companies.
4. Based on emissions factor derived from the latest available data on GHG emissions in the waste sector and total disposed waste at landfills in Hong Kong in 2019 published by the HKSAR Government.
5. Calculated by reference to the water and sewage charges paid in the Year.
6. Organisation-specific metrics for calculating water intensity changed from GFA and turnover to number of employees to reflect the amount of water used per person for washing and cleaning purposes.

Description		Unit	2024/25	2023/24	2022/23	Baseline	Base Year
Paper consumption[5]	**Total[1]**	'000 pcs (kg)	**2,792 (13,959)**	3,215 (16,074)	3,499 (17,495)	9,316 (47,056)	2014/15
	Stores	'000 pcs (kg)	1,946 (9,729)	1,963 (9,817)	2,152 (10,760)	1,933 (9,663)	2021/22
	Offices	'000 pcs (kg)	308 (1,539)	386 (1,928)	413 (2,066)	644 (3,218)	2021/22
	Logistic centre	'000 pcs (kg)	538 (2,691)	866 (4,330)	934 (4,669)	1,642 (8,208)	2021/22
Paper use intensity		pcs/headcount	**1,808**	1,922	2,247	2,872	2014/15
		pcs/HKD1m turnover	**933**	943	1,176	1,450	2021/22
Business air travel[5]		'000 km travelled	**276**	160	32	929	2014/15
Business air travel intensity		'000 km travelled/ headcount	**0.18**	0.10	0.02	286	2014/15
		kg CO_2e/HKD1m turnover	**9.28**	3.1	0.7	20	2014/15
Packaging:							
Carton box consumption[5]	**Total**	'000 pcs (kg)	**713 (196,148)**	793 (290,110)	933 (329,578)	874 (329,653)	2020/21
	Offline	'000 pcs (kg)	130 (104,791)	178 (143,316)	188 (151,531)	305 (261,082)	2015/16
	Online	'000 pcs (kg)	583 (91,357)	615 (146,794)	745 (178,047)	661 (157,972)	2020/21
Bubble wrap consumption		kg	**8,149**	5,433	12,875	19,907	2021/22
Airpillow consumption		kg	**8,442**	10,927	8,265	10,836	2021/22
Stretch film consumption		kg	**15,713**	16,609	20,560	18,663	2021/22
Shopping bag consumption[2, 5]		'000 pcs	**1,173**	1,424	1,182	3,010	2014/15
Shopping bag consumption intensity		pcs/transaction	**0.12**	0.13	0.13	0.18	2017/18
Resources recycled[3]:							
Paper	Offices	kg	**18,747**	18,886	19,349	18,602	2014/15
	Logistics Centres	kg	**89**	174	2,040	232,600	2018/19
Plastic	**Total**	kg	**4,000**	3,900	3,400	20,996	2018/19
	– Plastic pallet	kg	0	0	0	90	2021/22
	– Stretch film	kg	4,000	3,900	3,400	5,700	2021/22
Carton box		kg	**89,000**	91,960	90,020	89,700	2021/22
Resources reused:							
Carton box		kg	**176,234**	206,663	137,174	55,200	2021/22
Non-Hazardous waste[4]	Solid	tonnes	**14**	25.2	27.7	19.2	2019/20
	Liquid	tonnes	**11**	12.8	15	15.7	2019/20
Hazardous waste	Chemical	tonnes	**0.1**	0	0	3.9	2015/16
Waste Intensity		kg/HKD1m turnover	**8.4**	11.2	14.3	15.0	2021/22

Notes to the Sustainability Data:

1. Total may not add up due to rounding.
2. Excluding reusable shopping bags.
3. Aluminium cans and plastic containers for personal use recycled by employees in the offices no longer disclosed since financial year 2021/22.
4. Personal waste generated by employees replaced by waste from operations from financial year 2021/22.
5. Rounded to the nearest thousand.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page No.
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	p.54, p.65
KPI A1.1	The types of emissions and respective emissions data.	p.56, p.88
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.56, p.88
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.62, p.89
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.62, p.89
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	p.58
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	p.62-63
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	p.54
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	p.56, p.88
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	p.61, p.88
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	p.57-58
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	p.61
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	p.59, p.89
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	p.54
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	p.54-65, p.77
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	p.54
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	p.54, p.57-58
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	p.66, p.68-69, p.74
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	p.66-67, p.87
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	p.87
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	p.66, p.74
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	p.73, p.87
KPI B2.2	Lost days due to work injury.	p.73, p.87
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	p.72-73

Subject Areas, Aspects, General Disclosures and KPIs	Description	Page No.
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	p.66, p.68-71
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	p.67, p.87
KPI B3.2	The average training hours completed per employee by gender and employee category.	p.67, p.87
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	p.66, p.68, p.74
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	p.66, p.68, p.74
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	p.66, p.68, p.74
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	p.75, p.80
KPI B5.1	Number of suppliers by geographical region.	p.80
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	p.80
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	p.80
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	p.77, p.80
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	p.75, p.77, p.79-80
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p.76
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	p.76
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	p.76, p.80
KPI B6.4	Description of quality assurance process and recall procedures.	p.76
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	p.75, p.79
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	p.74
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	p.74
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	p.74, p.80
KPI B7.3	Description of anti-corruption training provided to directors and staff.	p.74
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	p.81
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	p.81-84
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	p.81

HKQAA – VERIFICATION STATEMENT

VERIFICATION STATEMENT

Scope and Objective of Verification

Hong Kong Quality Assurance Agency ("HKQAA") has been engaged by Sa Sa International Holdings Limited ("Sa Sa") to undertake an independent verification of the "Sustainability Data: Environmental" ("Sustainability Data") for Sa Sa International Holdings Limited (Stock Code: 178). The scope of HKQAA's verification covers data and information related to Greenhouse Gas (GHG) emissions (Scope 1 and 2), energy consumption, and vehicle fuel consumption for Sa Sa's major operations in Hong Kong and Macau (i.e., offices, logistics centre, and retail shops) during the period from 1 April 2024 to 31 March 2025, as disclosed in the "Sustainability Data".

The aim of this verification is to provide reasonable assurance regarding the reliability of the "Sustainability Data," which has been prepared in accordance with the World Resources Institute's Greenhouse Gas Protocol– A Corporate Accounting and Reporting Standard (revised edition) ('GHG Protocol').

Level of Assurance and Methodology

The verification process was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. Our evidence-gathering procedures were designed to obtain a reasonable level of assurance, as defined by the standard, to support the verification conclusion. Also, the scope of this verification covered the criteria set forth in the GHG Protocol.

The verification included reviewing information related to the processes for collecting, collating, and reporting environmental data on GHG emissions, energy consumption, and vehicle fuel consumption. Raw data and supporting evidence for the selected representative samples were also thoroughly examined during the verification.

Roles and Responsibilities

Sa Sa is responsible for the organization's information system, including the development and maintenance of records and reporting procedures, as well as the calculation and compilation of the environmental data presented in the "Sustainability Data." Our verification team is responsible for providing an independent verification opinion on the "Sustainability Data." The verification was conducted based on the scope, objectives, and criteria agreed upon by both Sa Sa and HKQAA.

Independence

HKQAA was not involved in compiling or developing the "Sustainability Data." Our verification activities are independent of Sa Sa. There is no relationship between HKQAA and Sa Sa that could compromise HKQAA's independence in providing the verification service.

Limitation and Exclusion

The following limitations and exclusions apply to this verification due to the scope of the service, the nature of the verification criteria, and the characteristics of the verification methodology:

- Our verification scope is limited to examining the raw data or information for the selected samples in order to assess the overall reliability of the "Sustainability Data". However, the raw data or information may be subject to inherent uncertainty due to incomplete scientific and technical knowledge.
- The verification of raw data or information is based on a sampling approach and relies on the client's representations. As a result, errors or irregularities may occur and remain undetected.

Conclusion

Based on the verification results, HKQAA has obtained reasonable assurance and is of the opinion that:

- The "Sustainability Data" has been prepared in accordance with the GHG Protocol.
- The data and information disclosed in the "Sustainability Data" are reliable.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
June 2025
Reference No.: 14967624

CORPORATE GOVERNANCE REPORT

"At Sa Sa, we recognise the importance of good corporate governance in delivering long-term, sustainable results. We are therefore committed to maintaining the highest standards of corporate governance."

Corporate Governance at Sa Sa for the Year

Board Effectiveness

- Eight directors
- INEDs: 50%
- Female directors: 62.5%
- Average age: 62
- 5 board meetings held during the year with 97% attendance rate
- 19 meetings of board committees held during the year
- INEDs serving more than nine years: 50%
- Board evaluation conducted at regular intervals of two to three years
- Diverse board with multiple perspectives and a wide range of skills and experience

Audit, Risk and Internal Control

- Audit committee composition: 100% INEDs
- Audit committee meeting attendance: 100%
- Members of audit committee meet with external auditor annually without presence of EDs and NED every year
- Internal audit function in place
- Risk management committee established
- Enterprise risk management system in place
- Whistle-blowing policy
- Policy in place to safeguard objectivity and independence of external auditor

Shareholders and Investors

- Hybrid AGM providing greater flexibility for attendees and enabling wider participation
- Regular engagement with both shareholders and investors through multiple channels
- Dividend policy
- Shareholders communication policy
- Shareholders rights explained on Company's website

Compliance with Corporate Governance Code (CG Code)

The CG Code is the standard against which we measure ourselves. Throughout the Year, we have complied with all but one of the code provisions in the CG Code, but we also exceeded the CG Code in the following respects:

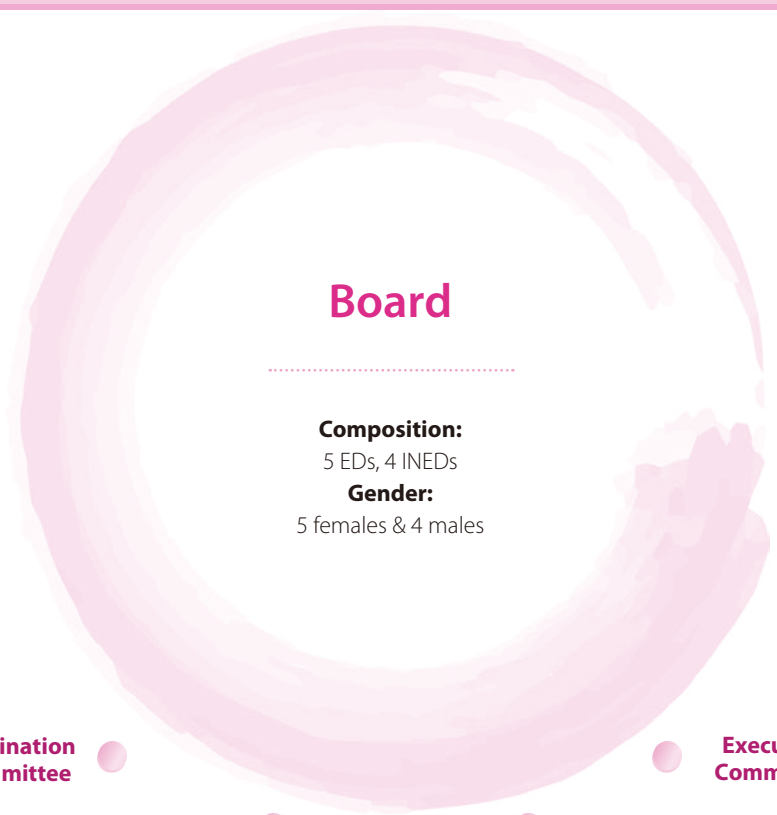
- ✓ Continued to hold our annual general meeting in hybrid form allowing participants the flexibility of attending in person or virtually.
- ✓ Held a total of five board meetings and 19 board committee meetings altogether, exceeding the minimum required by the CG Code.
- ✓ 50% of our board members are INEDs.
- ✓ Board evaluation was conducted at regular intervals.
- ✓ We have formal criteria for the nomination and re-appointment of directors.
- ✓ We issue a formal letter of appointment for non-executive directors. The letter deals with a range of matters regarding a director's appointment and responsibilities.
- ✓ All members of our Audit Committee are independent non-executive directors, as opposed to the majority, exceeding the independence requirements under the Listing Rules.
- ✓ The Audit Committee held one private meeting with the external auditor without the presence of any of our executive directors during the year.
- ✓ In addition to the Audit Committee, Nomination Committee and Remuneration Committee, we have established an Executive Committee and a Risk Management Committee, each with specific written terms of reference setting out clearly the individual committee's duties and authorities. Since 2018/19, we have established a Sustainability Steering Committee chaired by an executive director of the Company.
- ✓ The Board has established terms of reference, with a clear division of roles with Management. These terms set out the Board's responsibility for formulation of strategy and its monitoring role.
- ✓ We have included a separate Enterprise Risk Management Report, which sets out Sa Sa's risk management framework and how Sa Sa manages the Group's material risks in our annual report.
- ✓ We have a formal Environmental, Social and Corporate Governance Policy and have published an Environmental, Social and Governance Report since 2012.
- ✓ Among other policies, we have a Whistleblowing Policy for employees, a Gifts and Entertainment Policy, and Guidelines on Prevention of Bribery Ordinance, all of which are published on our corporate website.
- ✓ We gave more than 20 clear business days' notice for our annual general meetings.
- ✓ To further increase efficiency of communication, protection of the environment and to save costs for the Company, arrangements have been made since 2009 to ascertain shareholders' preferences as to the means of receiving corporate communications and shareholders are encouraged to elect for electronic communications.

Deviation from the Corporate Governance Code

Code Provision C.2.1

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. We have deviated from the code in that Dr KWOK Siu Ming Simon is both the chairman and CEO of the Company. The division of responsibilities between the two roles are, however, clearly established and set out in writing in the respective terms of reference for the chairman and the chief executive officer. Dr Kwok, being one of the founders of the Group, has superior knowledge of our business and is a veteran of the retail industry. The Board is therefore of the view that vesting the roles of chairman and chief executive officer in the same person facilitates the execution of the Group's business strategies and maximises the effectiveness of our operations. We will, nevertheless, periodically review the Board's structure going forward in light of the evolving needs of the Group and consider segregation of the two roles if and when appropriate.

Our Governance Structure[1]



Audit Committee

- Chair: INED
- Composition: All INEDs
- Gender: 2 female & 2 males

Remuneration Committee

- Chair: INED
- Composition: 2 INEDs & 1 ED
- Gender: 2 females & 1 male

Nomination Committee

- Chair: INED
- Composition: 2 INEDs & 1 ED
- Gender: 2 females & 1 male

Executive Committee

- Chair: ED
- Composition: All EDs
- Gender: 3 females & 2 males

Risk Management Committee

- Chair: ED
- Composition: 3 EDs
- Gender: 1 female & 2 males

Sustainability Steering Committee

- Chair: ED
- Composition: ED & management
- Gender: 3 females & 3 males

1 As at the date of this annual report.

Board Composition

Composition of the Board and Board Committees[1 & 2]

Board

Dr KWOK Siu Ming Simon (Chairman and CEO) *
Dr KWOK LAW Kwai Chun Eleanor (Vice-chairman) *
Ms KWOK Sze Wai Melody*
Ms KWOK Sea Nga Kitty*
Mr CHUNG Ming Kit (CFO and Company Secretary)*
Ms KI Man Fung Leonie^
Mr TAN Wee Seng^
Mr CHAN Hiu Fung Nicholas^
Ms LEE Yun Chun Marie-Christine^

Audit Committee

Mr TAN Wee Seng (Chair) ^
Ms KI Man Fung Leonie^
Mr CHAN Hiu Fung Nicholas^
Ms LEE Yun Chun Marie-Christine^

Nomination Committee

Mr TAN Wee Seng (Chair) ^
Dr KWOK LAW Kwai Chun Eleanor*
Ms KI Man Fung Leonie^

Remuneration Committee

Ms KI Man Fung Leonie (Chair) ^
Dr KWOK LAW Kwai Chun Eleanor*
Mr CHAN Hiu Fung Nicholas^

Executive Committee

Dr KWOK Siu Ming Simon (Chair) *
Dr KWOK LAW Kwai Chun Eleanor*
Ms KWOK Sze Wai Melody*
Ms KWOK Sea Nga Kitty*
Mr CHUNG Ming Kit*

Risk Management Committee

Dr KWOK Siu Ming Simon (Chair) *
Dr KWOK LAW Kwai Chun Eleanor*
Mr CHUNG Ming Kit*

* ED ^INED

Notes:

1. As at the date of this annual report.

2. Ms LEE Yun Chun Marie-Christine was redesignated from non-executive director to independent non-executive director and appointed as a member of the Audit Committee of the Company with effect from 2 September 2024, Mr HO Danny Wing Fi resigned as executive director, member of the Executive Committee and member of the Risk Management Committee of the Company with effect from 13 December 2024. Mr CHUNG Ming Kit was appointed as executive director, member of the Executive Committee and member of Risk Management Committee of the Company with effect from 19 June 2025.

The Board has a balanced composition, comprising five executive directors, four independent non-executive directors as at the date of this annual report. This composition goes beyond the parameters of the CG Code, which requires listed issuers to have independent non-executive directors representing at least one-third of the Board.

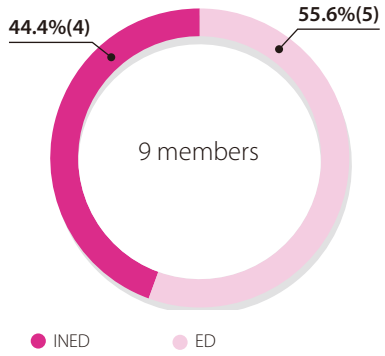
The biographical details of each of our directors, including the relationship between Board members, are set out on pages 42 to 47 of this Annual Report. An updated list of our directors, identifying their respective roles and functions together with their biographical details, is displayed on the Stock Exchange's website and our corporate website.

Independence

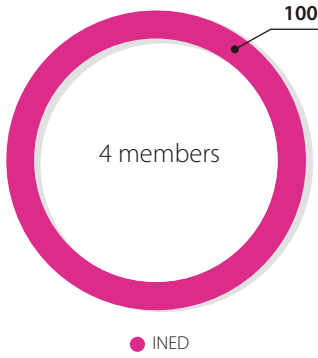
We have a strong element of independence on the Board, providing independent and objective oversight on strategic issues and performance matters. The Audit Committee, Remuneration Committee and Nomination Committees are each chaired by an independent non-executive director.

Board Independence[1]

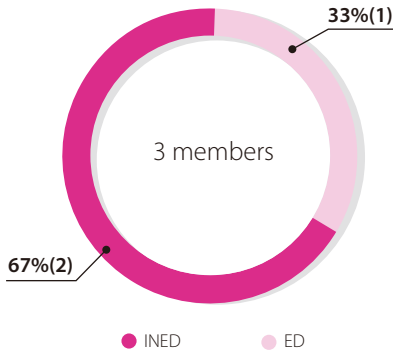
Board



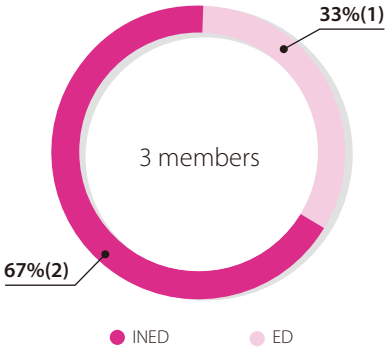
Audit Committee



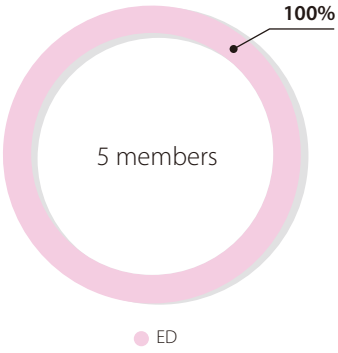
Remuneration Committee



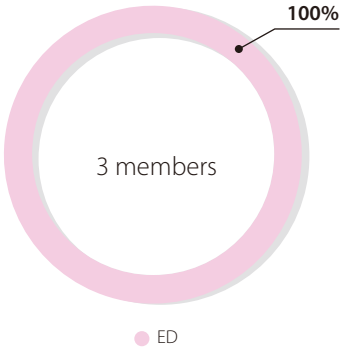
Nomination Committee



Executive Committee



Risk Management Committee



Some of our INEDs have served as our board members for more than nine years. While this could be relevant to the determination of independence, it is well recognised that an individual's independence cannot be determined arbitrarily on the basis of a set period of time. In assessing the independence of INEDs, the Board and the Nomination Committee consider each individual director's character and judgement as demonstrated by his/her commitment and contribution to the Board during his/her years of service and other relevant factors. We are of the view that the INEDs who have served more than nine years, namely Ms KI Man Fung Leonie and Mr TAN Wee Seng, despite their length of service, have always expressed their views independently, objectively and impartially, constructively challenging the views of the other directors and testing the arguments whenever necessary. A longer tenure on the Board means deeper knowledge of the Company and its industry, better understanding of the risks and challenges facing the Company and better able to formulate long term goals and strategies and discharge of monitoring responsibilities. Ms Ki is an iconic and legendary figure in the world of advertising. She was awarded a GBS for her long and distinguished public and community services in 2016 and is still passionately serving the society. She has held the positions of ED, NED and INED in other listed companies and understands board dynamics. Mr Tan is a seasoned finance professional who has also served as ED, NED and INED of other listed companies. He is chairman of the audit committee of two other companies whose shares are listed on The Stock Exchange of Hong Kong Limited and former chairman of the audit committee of two companies whose shares are listed on the New York Stock Exchange. Ms Ki's and Mr Tan's board experience and cross industry experience as well as working knowledge of the governance process are invaluable attributes that the Nomination Committee and the Board have taken into account in the assessment of independence.

[1] As at the date of this annual report.

The Board remains adamant that board appointments should be based on merits and the length of time any director has served is only one of many factors to be considered. The Board is satisfied that Ms Ki and Mr Tan remain independent despite their years of service and that they will continue to effectively contribute as board members. The Board is of the view that each of our INEDs meets the independence guidelines as set out in rule 3.13 of the Listing Rules and that they are able to continue to fulfil their roles as required.

The Company has in place effective mechanisms to ensure that independent views and input are available to the Board. These mechanisms include (i) reviewing board size and composition annually to ensure that suitably skilled and sufficient number of INEDs are appointed to the Board; (ii) reviewing the independence of each INED both on appointment and annually during the term of appointment; (iii) ensuring that the INEDs devote sufficient time, actively participate and make contributions in accordance with the Company's expectations; (iv) conducting board evaluations; (v) the Chairman taking the lead to ensure all directors, and in particular the INEDs, have sufficient information to perform their responsibilities and can do so candidly, openly and effectively, contributing to high standard of governance; (vi) ensuring INEDs are entitled to seek assistance from the Company Secretary and, where necessary, independent advice from external professional advisers at the Company's expense; and (vii) reviewing the compensation of the INEDs yearly to ensure they are properly compensated but are not financially dependent on, or have interests linked to, the performance of the Company so that they can express their views objectively and without bias at all times. The implementation and effectiveness of these mechanisms are reviewed by the Board annually.

Board Diversity

We recognise the benefit and value of diversity across the organisation, and endorse the view that a diverse board, with a breadth of perspective, is one of the key drivers of an effective board.

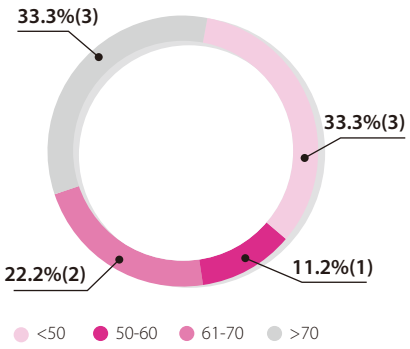
We have a highly diverse board in terms of age, gender, academic background, nationality, professional experience, industry experience and tenure. Collectively, the Board possesses experience and expertise in retail, finance and accounting, law, branding and marketing, talent management, Mainland market, community services, management, technology and consumer journey digitalisation. Each Board member's relevant skills and experience have been disclosed in their biographical information on pages 42 to 47 of this annual report.

Our Board Diversity Policy reinforces the significant role women directors play in the Company and pledges to ensure a strong female representation at board level. With a female to male ratio of 5:3 on our Board as at 31 March 2025, the Board is satisfied that there is sufficient gender diversity at the Board level. A full version of the policy is set out below. It can also be found on our corporate website.

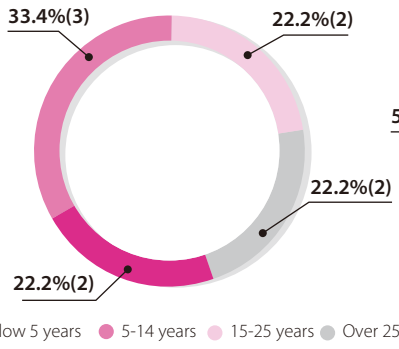
Diversity of expertise

Board Skills Matrix

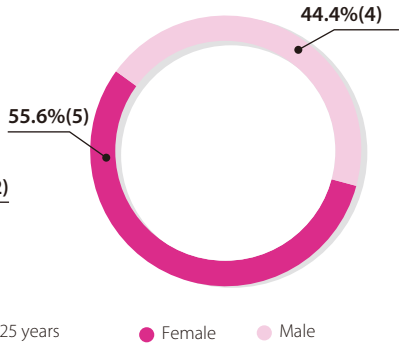
Age diversity[1]



Tenure diversity[1]



Gender diversity[1]



[1] As at the date of this annual report.

Board Diversity Policy

Purpose

1. The Company recognises the benefit and value of diversity across the organisation, and endorses the view that a diverse board, with a breadth of perspective, is one of the key drivers of an effective board.

2. This policy sets out the framework in achieving board diversity in the Company.

Policy Statement

3. In considering and reviewing board composition, both the Nomination Committee and the Board will consider the benefits of all aspects of diversity, including age, gender, skills, knowledge, experience, expertise, professional and educational qualifications, background and other personal qualities of the directors. While the ultimate decision of all board appointments would be based on meritocracy and the contributions that the director candidate is expected to bring, considerable weight would be given to ensuring a diverse board with balanced composition.

Measurable Objectives

4. Women directors will continue to play a significant role in the Company and the Board will ensure there is strong female representation at board level.

Review and Monitoring

5. This policy will be reviewed periodically to ensure it remains relevant to the Company's needs and reflects both regulatory requirements and good corporate governance practices.

Language Version

6. The text of this policy appears in both English and Chinese languages. In case of discrepancy, the English version shall prevail.

Approval of this Policy

7. This policy was first adopted by resolutions of the directors passed on 16 August 2013, and last amended by resolutions of the directors passed on 20 February 2019.

Diversity across workforce

Our diversity philosophy is followed throughout the Group. Gender parity in respect of senior management* has been achieved with a 50:50 male to female as at the date of this annual report. Please refer to page 67 of our ESG Report for the male to female ratio in respect of our general workforce and distribution across different seniority and functions as at 31 March 2025.

We promote diversity at all levels of our workforce and provide equal opportunities for employment and advancement regardless of sex, race, family status or disability. As at 31 March 2025, our total workforce comprised 79% female and 21% male and are not of single-gender. Gender distribution in our office and logistics centre are more even while in the frontline stores, there are more females than males. Given the dynamic nature of our business, we have not set any measurable objectives in respect of the gender ratio for our general workforce, rather our focus is on identifying the right person for the right role while taking into account diversity in a range of areas, including gender.

* Inclusive of five EDs and senior management identified on page 47 of this annual report

Appointment and Re-election of Directors

All our INEDs are appointed for a specific term of not more than three years. Newly appointed directors are required to offer themselves for re-election at the first Annual General Meeting (AGM) following their appointment. Under the articles of association of the Company, at least one-third of the directors are subject to retirement by rotation at the AGM at least once every three years. If so recommended by the Nomination Committee, retiring directors who are eligible may offer themselves for re-election by the shareholders at the AGM at which he or she retires.

During the Year, Ms LEE Yun Chun Marie-Christine was redesignated from a non-executive director to an independent non-executive director. Ms Lee's redesignation has been considered by the Nomination Committee and the Board taking into consideration (i) the factors set out in rule 3.13 of the Listing Rules; (ii) the Company's nomination policy; (iii) the time devoted to the Company by Ms Lee; and (iv) her skills, experience, character, integrity and past and expected future contributions. The Nomination Committee and the Board do not consider Ms Lee's tenure to have any effect on her independence. They have seen no evidence that her long association with the Company has made her less impartial, less objective, less effective as a director, less able to differ or make independent judgments and thus less independent. In the consideration of Ms Lee's redesignation, both the Nomination Committee and the Board have given considerable weight to her skills, experience, character, integrity and past and expected future contributions, noting that her long association with the Company also means she has a deeper knowledge of the Company and the challenges it faces, and therefore better able to formulate and monitor long term goals and strategies.

As at the date of the annual report, the Board appointed Mr CHUNG Ming Kit as additional ED in accordance with our Board Diversity Policy and Nomination Policy. Mr Chung has over 20 years of experience in finance, accounting and management. Prior to joining the Company, he had worked in an international accounting firm and other companies listed on the Main Board of the Stock Exchange of Hong Kong, NASDAQ and the Singapore Exchange. Both the Nomination Committee and the Board are satisfied that his background and age bring greater diversity to the Board. The appointment of Mr Chung will further strengthen the Board with added skills and perspectives. Mr Chung will hold office until the AGM to be held in August 2025 and is eligible for re-election by the shareholders of the Company.

Ms KWOK Sze Wai Melody, Ms KWOK Sea Nga Kitty and Ms LEE Yun Chun Marie-Christine will retire by rotation at the AGM to be held in August 2025. All of them, being eligible, will offer themselves for re-election by the shareholders at the AGM.

Further details in relation to the re-election of directors will be set out in the circular which will be dispatched to Shareholders together with the notice of AGM. We confirm that all Directors' appointments and re-elections were conducted in compliance with the articles of association of the Company and the CG Code.

Nomination Policy

Our Nomination Policy setting out the criteria and procedures to be adopted when considering director candidates to be appointed or re-appointed as directors was first adopted by the Board in 2012 and was last amended in the financial year ended 31 March 2019. One of the policy objectives is to ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Our Nomination Criteria

When selecting a candidate to be nominated for directorship or re-appointment, considerations will be given to the following:

(a) age, gender, skills, knowledge, experience, expertise, professional and educational qualifications, background and other personal qualities of the candidate;
(b) effect on the board's composition and diversity;
(c) ability and commitment of the candidate to devote sufficient time to effectively carry out his/her duties. In this regard, the number and nature of offices held by the candidate in public companies or organisations, and other executive appointments or significant commitments should be considered;
(d) potential/actual conflicts of interest that may arise if the candidate is selected;
(e) the contributions that the candidate is expected to bring;
(f) independence of the candidate; and
(g) other factors considered to be relevant on a case by case basis.

The following is a summary of the nomination procedures and process adopted by the Company for newly appointed directors. In cases of re-appointment of existing directors, a physical meeting would be held to consider the re-appointment based on the criteria set out above.

Nomination Committee

- Identifies or selects candidates, with or without assistance from external agencies or the Company, pursuant to the criteria set out above
- May use any process it deems appropriate to evaluate the candidates, which may include personal interviews, background checks, presentations, written submissions by the candidate or third party reference
- Holds a physical meeting to consider the matter and would avoid the making of decisions by written resolutions unless it is impractical that a physical meeting be held
- Provides all relevant information and makes recommendation to the Board, including the terms and conditions of the appointment
- If approved by the Board, the appointment would be confirmed by a letter of appointment approved by the Nomination Committee

Board

- Deliberates and decides on the appointment based upon the recommendation of the Nomination Committee
- Newly appointed directors may only hold office until the first AGM following the appointment. If eligible, they may stand for election by shareholders. A circular accompanying the notice of the AGM containing all relevant information would be sent to shareholders by the Board

Shareholders

- Vote on the directors' reappointment at the Company's AGM

Clear Division of Responsibilities

Between Chairman and Chief Executive Officer

Although the positions of the chairman of the Board and CEO are currently held by the same individual, Dr KWOK Siu Ming Simon, their respective responsibilities are clearly established and set out in the Terms of Reference for the chairman and the CEO, which are available on our website.

In his capacity as chairman of the Board, Dr Kwok has met with all the INEDs without the presence of other directors during the Year. While in his capacity as CEO of the Company, Dr Kwok meets with the other executive directors and management team regularly to ensure that issues requiring attention are handled efficiently and in a timely manner.

A summary of the respective roles of the Chairman and the CEO is set out below:

Chairman	CEO
➢ Provides leadership to the Board, ensures that it works effectively and perform its responsibilities. ➢ Takes primary responsibility for ensuring that good corporate governance practices and procedures are established. ➢ Ensures that the Board as a whole plays a full and constructive part in the development and determination of corporate strategies. ➢ Ensures that decisions agreed by the Board are effectively implemented by the CEO and management. ➢ With the assistance of the Company Secretary, draws up the agenda for each Board meeting taking into account any matters proposed by the other directors for inclusion in the agenda and allowing sufficient time for the consideration of all issues. ➢ Ensures that the Board is properly briefed on issues arising at board meetings and receives adequate information in a timely manner to enable matters to be properly considered and decisions made. ➢ Encourages all directors to make full and active contribution to the Board's affairs and takes the lead in ensuring that the Board acts in the best interests of the Company. ➢ Encourages directors with different views to voice their concerns, allows sufficient time for discussion of issues and ensures that board decisions fairly reflect board consensus. ➢ Ensures that there is effective communication with shareholders and stakeholders and understanding of their views.	➢ Provides leadership to the management. ➢ Develops and proposes goals and strategies for the Board's consideration. ➢ Ensures information and reports provided by the management to the Board are relevant, accurate, timely and clear. ➢ Ensures effective implementation of the decisions agreed by the Board and is accountable to the Board. ➢ Responsible for the day-to-day management of the Group's business in accordance with business plans and within the budgets approved by the Board. ➢ Leads management in the design, implementation and monitoring of the risk management and internal control systems. ➢ Ensures matters of importance requiring the Board's involvement are brought to its attention. ➢ Leads the communication with shareholders and key stakeholders.

Executive Directors

In the Year, we have four executive directors who together form the Executive Committee. The Committee, led by the CEO, is accountable to the board while the executive directors are leaders of the management team. The role and responsibilities of, and details of work done by, the Executive Committee are set out on pages 105 and 108.

Independent Non-Executive Directors

Independent Non-executive directors are not part of the Company's management but they make a positive contribution to the development of the Group's strategy and policies. INEDs also scrutinise the Group's performance through informed insight and independent judgements. They have not been reserved in asking questions and challenging management's views and recommendations, which role is vital to fulfilling the objectives set by the Board. In order to preserve well-balanced governance, the Board has ensured that all members of the Audit Committee are INEDs, and that the majority of the members of the Nomination Committee and Remuneration Committee are INEDs.

Induction and Continuous Professional Development

We recognise that professional developments for directors is a major contributor to the maintenance of high corporate governance standards in the Company. We have adopted our own policy on Induction of and Continuous Professional Development for Directors since 2005. The Board reviews and monitors the implementation of this policy to ensure its effectiveness periodically. All newly appointed directors are provided with induction and training on appointment, and are required to undertake continuous professional development throughout the term of their appointment, which may be arranged by the Company or the director himself/herself.

All Directors have provided their training records to the Company and confirmed their respective records on an annual basis. The chart below summarises the participation of Directors in training and continuous professional development during the Year.

Name	Attending trainings, briefings, seminars or conferences	Reviewing legislative or regulatory updates	Reading materials relevant to the Company or its business and attending corporate events
Dr KWOK Siu Ming Simon	✓	✓	✓
Dr KWOK LAW Kwai Chun Eleanor	✓	✓	✓
Ms KWOK Sze Wai Melody	✓	✓	✓
Ms KWOK Sea Nga Kitty	✓	✓	✓
Ms KI Man Fung Leonie	✓	✓	✓
Mr TAN Wee Seng	✓	✓	✓
Mr Chan Hiu Fung Nicholas	✓	✓	✓
Ms LEE Yun Chun Marie-Christine	✓	✓	✓

The Board and the Management

The Board is responsible for the overall conduct of the Group's affairs and monitors the performance of Management. The Board delegates and gives clear directions to members of Management as to their powers and the circumstances in which further directions or approval should be sought.

Management for the purpose of this corporate governance report refers to the Company's executive directors, all senior vice-presidents, vice-presidents, department directors and associate directors of the Group. They are responsible for the day-to-day operations, management and administration of the Group under the leadership of the CEO and Executive Committee comprising of all executive directors. They also execute and implement strategies and directions determined by the Board. Their respective responsibilities are clearly established and set out in the Terms of Reference for the Board and the Management, which is available on our corporate website. The Management provides monthly updates to the Board to enable Board members to discharge their duties more effectively.

Members of our Management are frequently invited to attend Board meetings to report and engage in discussions with the Board in respect of strategy, budget planning, progress and performance updates. This is to ensure that the Board has a general understanding of the Group's business so that they can make informed decisions for the benefit of the Group. Members of the Management are required to answer any questions and respond to any constructive challenges posed by the Board. All Board members also have separate and independent access to the Management.

In addition to regular Board meetings, 9 separate management meetings chaired by the CEO were held during the Year to review, discuss and make decisions on financial and operational matters.

The department heads of major business units also met with the Executive Committee on a regular basis to report, enhance and strengthen cross-departmental communications and coordination.

Company Secretary

Ms Mak Sum Wun Simmy resigned as Company Secretary and Mr Chung Ming Kit was appointed as Company Secretary with effect from 25 April 2025. Our Company Secretary is an employee of the Company and reports to the Chairman and CEO. He/She also acts as secretary to most of our Board Committees. He/She advises and supports the Board on governance matters and ensures that proper procedures are followed by the Board and Board committees. He/She also assists the board chairman and committee chairman in drawing up the agenda for each meeting.

All board members have access to the advice and services of the Company Secretary. In the Year, the Company Secretary has complied with the requirement to undertake at least 15 hours of relevant professional training.

Board Committees

As an integral part of good corporate governance and to enhance the function of the Board, five Board Committees – Audit Committee, Nomination Committee, Remuneration Committee, Executive Committee and Risk Management Committee – have been established to assume responsibilities for and to oversee particular aspects of the Company's affairs. Board Committees report to the Board on their decisions and make recommendations at Board meetings.

Regular Board Committee meetings were held during the financial year and the number of meetings and attendance of individual committee members are set out on page 110. Throughout the Year, the Board Chairman and Board Vice-chairman also attended Board Committee meetings at the invitation of the respective Board Committee Chairs.

All Board Committees are provided with sufficient resources to discharge their duties and are empowered to obtain independent legal or other professional advice at the Company's expense in appropriate circumstances.

Board

Audit Committee
(All members are INEDs)

Key responsibilities:

To review and monitor the Group's relationship with the external auditor and the auditor's independence; to monitor the integrity of the Group's financial information and review significant reporting judgements contained in it; to oversee the Group's financial reporting; on behalf of the Board to review the effectiveness of internal control and risk management procedures; to consider major investigation findings on internal control matters and management's response to these findings; and the audit process.

Nomination Committee
(Majority of the members are INEDs)

Key responsibilities:

To make recommendations to the Board for selection of potential Board members, appointment and re-appointment of directors; to review the structure, size and composition of the Board; to assess the independence of INEDs; and to determine the policy for nomination of directors.

Remuneration Committee
(Majority of the members are INEDs)

Key responsibilities:

To determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management; and giving due regard to the Company's financial status, to ensure the directors and senior management are fairly rewarded.

Executive Committee
(All members are EDs)

Key responsibilities:

To ensure successful implementation of the corporate strategy and directions of the Group as determined by the Board.

Risk Management Committee
(All members are EDs)

Key responsibilities:

To provide leadership to the management in relation to risk management and internal control, including monitoring the implementation of the Enterprise Risk Management Programme; to review and approve recommendations for engaging external consultants to assist with risk management, delegated responsibilities for leading management in the establishment and maintenance of an appropriate and effective risk management and internal control system.

Audit Committee

Work done by the Audit Committee in the Year

5 meetings (100% attendance rate)

Internal audit

- ✓ Received and considered the internal audit reports including:
  - Internal audit progress;
  - Significant internal audit findings and follow-up implementation status on prior audit findings;
  - Shop visits' progress and results;
  - ERM progress results;
  - Annual internal audit plan; and
  - Major investigation findings on internal controls and management' s response to these findings.
- ✓ Considered the adequacy of resources of the internal audit function and its effectiveness.

Risk management and internal control

- ✓ Evaluated the adequacy and effectiveness of the Group' s risk management procedures and internal control system covering all material controls, including financial, operational and compliance controls.

Financial reporting

- ✓ Reviewed and considered the annual results for the year ended 31 March 2024 and related documents.
- ✓ Reviewed and considered the interim results for the six-months ended 30 September 2024 and related documents.
- ✓ Considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function.

External auditor

- ✓ Considered the re-appointment of PwC as auditor of the Company.
- ✓ Reviewed the summary of audit and non-audit services provided by the external auditor for the year ended 31 March 2024 and the six months ended 30 September 2024 and considered the auditor's independence.

The Audit Committee held one private meeting with the external auditor without the presence of the executive directors in the reporting period. This meeting afforded a candid exchange of dialogue and opinions between the Audit Committee and the external auditors.

The Auditor

We engage PricewaterhouseCoopers (PwC) as our external auditor. We have received a written confirmation from PwC confirming that it is independent and that there are no relationships between PwC and the Company that are likely to impair its independence. The roles and responsibilities of our external auditor are stated in the Independent Auditor's Report on pages 145 to 149.

To maintain PwC's independence and the objectivity and effectiveness of the audit process, since 2009, we have in place a policy on the Provision of Audit and Non-audit Services by External Auditors that sets out the types of audit and non-audit services that the Company may request of the external auditor (the policy is available on our website).

For the Year, the fees paid by the Group to PwC amounted to approximately HK$2,854,200, comprising audit fees of HK$2,305,340 and non-audit fees of HK$548,860. The non-audit services consisted of tax advisory services, transfer pricing analysis, and other services.

The Audit Committee will continue to review the independence and objectivity of the external auditors, including the review of any proposals and fees. The Audit Committee has access to the financial expertise of the Group and its auditors and can seek further independent professional advice at the Company's expense, if considered necessary.

Nomination Committee

Work done by the Nomination Committee in the Year

2 meetings (100% attendance rate)

Board composition

- ✓ Reviewed the independence of Ms LEE Yun Chun Marie-Christine and recommended her redesignation from NED to INED.
- ✓ Reviewed the structure, size and composition of the Board.
- ✓ Assessed the continued independence of each INEDs.

Re-appointment of director

- ✓ Considered the re-appointment of Ms KI Man Fung Leonie as INED.

We have received from each INED written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee has reviewed each confirmation and assessed the independence of the INEDs, concluding that all INEDs met the independence guidelines as set out in Rule 3.13 of the Listing Rules. In addition, the Committee has concluded that there exist no business or other relationships or circumstances that are likely to affect, or could appear to affect the INEDs' independent judgement. The Committee will continue to assess annually the independence of all INEDs.

Remuneration Committee

Work done by the Remuneration Committee in the Year

1 meeting (100% attendance rate)

Directors' and management's remuneration

- ✓ Reviewed and determined the remunerations of the directors and management for the Year in consultation with the chairman of the Board and in accordance with the remuneration policy of the Group.

Remuneration of Directors and Senior Management

We have in place a formal and transparent Remuneration Policy for directors and senior management, which is reviewed from time to time. The Committee has also taken into account a number of relevant factors such as remuneration packages offered by companies of comparable business and scale, market rates, and the financial and non-financial performance of the Group, to ensure that the remuneration packages offered remain appropriate and competitive.

The remuneration package of our executive directors and management comprised of basic salary, a discretionary bonus tied to the performance of the Company and the individual, and other allowances and benefits. Except for the Chairman and Vice-chairman of the Board who are founders and substantial shareholders of the Company, the remuneration package of the other executive directors and management may also include share options or share awards, some of which are time based while others are performance based.

Independent Non-executive Directors are compensated with reference to market rate with the aim of fairly remunerating their efforts and time dedicated to Board and Board Committee matters. The remuneration package of INEDs comprises a fixed annual fee of HK$257,400. The Chairman of the Audit Committee is paid an additional fee of HK$150,000 per annum while other members of the Audit Committee are paid an additional fee of HK$80,000 per annum. No additional fees are payable for sitting on other Board Committees.

Please refer to note 10 to the consolidated financial statements on pages 167 to 170 for the total emoluments paid to each director and the emoluments of senior management in aggregate and by band for the Year.

Executive Committee

Work done by the Executive Committee in the Year

9 meetings (96.7% attendance rate)

Strategy and budgeting

- ✓ Ensured successful implementation of the corporate strategy and directions of the Group.
- ✓ Reviewed business proposals, implementation plans, strategic plans and annual operating plans to ensure that they are in line with the corporate goals and objectives.
- ✓ Reviewed the budget, long-term plan, corporate goals and objectives, long-term business model and strategy.

Performance monitoring

- ✓ Reviewed the Group' s results and performance against the market and budget.
- ✓ Reviewed the reasons for under/over performance against the market/budget and developed plans and strategies to adapt to market circumstances.
- ✓ Provided directions to management and monitored the Group' s performance throughout the Year:
  - Store openings and closures;
  - Sales performance;
  - Marketing and promotions;
  - Product development;
  - Branding management;
  - Inventory management;
  - IT strategy;
  - Human resources, training needs and staff performance;
  - Performance of the logistics function; and
  - E-commerce strategies and performance.

The Committee proactively communicates with the INEDs and the management and is open and responsive to any issues that might be raised by the INEDs. The number of meetings held by the Executive Committee and the attendance of each individual Committee members are set out on page 110. Members of the management are invited to attend as and when appropriate.

Risk Management Committee

Work done by Risk Management Committee in the Year

2 meetings (100% attendance rate)

System and control

✓ Established and maintained appropriate and effective risk management and internal control systems with reports being made to the Board on any material deficiencies.

Enterprise Risk Management Program

✓ Reviewed and considered the ERM progress and results for the Year including:

- Continuous assessment of existing and new risks that the Group faced;
- Reviewed of risk indicators and assessed how risks were measured and managed;
- Reviewed and assessed the risk trends and appropriateness of risk indicators;
- Assessed the effectiveness of measures taken to manage risks.

For the meeting of the Risk Management Committee, representatives from the Internal Audit and Management Services Department also attended meetings at the invitation of the Committee. The number of meetings held by the Committee during the Year and the attendance records of each individual Committee members are set out on page 110. Please refer to pages 117 to 124 of the Enterprise Risk Management Report for further activities undertaken by this Committee.

The Board in Action

Meetings of the Board, Board Committees and Shareholders

Meetings in the Year

APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
B	E	B	E	AGM		E	B		E	B	E
A		A		B			A			A	RM
N		N		A			E			E	
R				E							
E				RM							

B Board
A Audit Committee
R Remuneration Committee
N Nomination Committee
E Executive Committee
RM Risk Management Committee
AGM Annual General Meeting

Attendance at Meetings[1]

The following table shows the attendance of Directors at Board meetings, Board Committee meetings and the AGM held in the Year.

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Executive Committee	Risk Management Committee	Annual General Meeting
Executive Directors							
Dr KWOK Siu Ming Simon	5/5	5/5[2]	1/1[2]	2/2[2]	9/9	2/2	1/1
Dr KWOK LAW Kwai Chun Eleanor	5/5	5/5[2]	1/1	2/2	9/9	2/2	1/1
Ms KWOK Sze Wai Melody	5/5	5/5[2]	N/A	N/A	9/9	2/2[2]	1/1
Mr HO Danny Wing Fi[4]	3/4	3/4[2]	N/A	N/A	5/6	1/1	1/1
Ms KWOK Sea Nga Kitty	5/5	5/5[2]	N/A	N/A	9/9	2/2[2]	1/1
Independent Non-Executive Directors							
Ms KI Man Fung Leonie	5/5	5/5	1/1	2/2	N/A	N/A	1/1
Mr TAN Wee Seng	5/5	5/5	N/A	2/2	N/A	N/A	1/1
Mr CHAN Hiu Fung Nicholas	5/5	5/5	1/1	N/A	N/A	N/A	0/1
Ms LEE Yun Chun Marie-Christine[5]	5/5	5/5	N/A	N/A	N/A	N/A	1/1
Total number of meetings	**5**	**5**	**1**	**2**	**9**	**2**	**1**
Average attendance rate of directors[3]	97.2%	100%	100%	100%	96.7%	100%	88.9%

Notes:

1. Attendance is expressed as the number of meetings attended out of the number of meetings held.
2. Attended as an invitee only.
3. Average attendance rate is calculated without the invitees.
4. Mr HO Danny Wing Fi resigned as ED on 13 December 2024.
5. Ms LEE Yun Chun Marie-Christine redesignated from NED to INED on 2 September 2024.

When directors are unable to attend a Board or Board Committee meeting, they have the opportunity beforehand to review the relevant papers and discuss any agenda items or provide comments to the Chairman or Committee Chairman as appropriate.

Work done by the Board in the Year

5 meetings (97.2% attendance rate)

Financial

- ✓ Approved the annual results and annual report for the year ended 31 March 2024.
- ✓ Reviewed financial performance against budget and the market.
- ✓ Approved the interim report and interim results announcement for the six months ended 30 September 2024.
- ✓ Considered the unaudited quarterly results.
- ✓ Approved the content of various corporate communications and disclosure including results announcement, annual report and circulars to the shareholders regarding the annual general meeting and share buy-back mandate.

Strategic planning and business performance

- ✓ Reviewed and considered the Group's budget, strategic plans, short and long-term goals, business, financial and sustainability performance, as well as market and regulatory developments.

Corporate governance

- ✓ Approved the re-appointment of Ms KI Man Fung Leonie as INED.
- ✓ Approved the re-elections of Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Ms KI Man Fung Leonie as directors at the annual general meeting held on 22 August 2024.
- ✓ Approved the re-appointment of PwC as auditor of the Company.
- ✓ Considered reports from the chairs of the different board committees.
- ✓ Reviewed ESG development and approve the ESG report.
- ✓ Reviewed the board diversity policy.
- ✓ Reviewed the mechanism(s) to ensure independent views and input are available to the Board.
- ✓ Reviewed the implementation and effectiveness of Shareholder's Communication Policy.
- ✓ Approved the revised dividend policy.
- ✓ Directors' training.

Meeting Process and Information of Directors

The Board and Board Committees meet regularly during the Year. The dates and time of meetings are planned usually in the year before to allow sufficient time for the directors to schedule their activities.

The Board meets at least four times a year at approximately quarterly intervals. We held five Board meetings during the Year.

The formal notice and agenda of meetings are finalised by the Chairman and are usually sent to all Directors at least 14 days before each regular meeting. All Directors are given opportunities to comment on the agenda and to bring up additional matters for consideration at the meetings.

Meeting materials are usually sent to Directors in advance of each meeting to ensure that the Directors have full and timely access to relevant information. With a view to becoming more environmental-friendly by reducing paper consumption, meeting materials are distributed in electronic form and Directors are encouraged to read the electronic version.

Draft minutes recording substantive matters discussed and decisions resolved at the meetings are circulated to all Directors for their review and comments within a reasonable time of each meeting. The final version of the minutes is formally approved at the next meeting and a copy is sent to each director for his/her record. The final executed version is placed on record and made available for inspection.

In the Year, we continued to hold our board and board committee meetings in hybrid form allowing both physical and online attendance.

Time Commitment of Directors

We recognise that it is important that all Directors should be able to contribute sufficient time to the Company to discharge their responsibility. All directors have confirmed to the Company that they have given sufficient time and attention to the affairs of the Company and made contributions to the development of the Company's strategy and policies through independent, constructive and informed comments throughout the year under review.

We understand that our directors may be invited to hold positions in other private, public or professional organisations, or they may have other significant commitments. These engagements will broaden their knowledge and experience and may act to the benefit of the Company. Each director has disclosed to the Company the number and nature of offices held by him/her in public companies or organisations and other significant commitments. None of our Directors, individually, held directorships in more than six public companies (including the Company) as at 31 March 2025. Despite those commitments, each director was able to give sufficient time and attention to the Company's affairs and perform his/her duties as directors during the Year.

Board Evaluation

We have conducted board evaluations since 2016. This involved each director completing a questionnaire rating the Board's performance on areas such as board composition, sufficiency and effectiveness of the board committees, board process, board effectiveness, professional developments and the skills required of directors in the context of the Company's strategic development. The findings were consolidated into an anonymised report for consideration at a board meeting.

The Board is committed to reviewing its own performance and effectiveness at regular intervals of two to three years.

Model Code for Securities Transactions by Directors

We have adopted our own model codes regarding securities transactions by directors and relevant employees on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Our model codes are extended to certain "relevant employees" who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities. We have received confirmation from all Directors and relevant employees that they have complied with the Company's model codes throughout the period under review.

Conflicts of Interest

All Directors are required to comply with their common law duty to act in the best interests of the Company and to have particular regard to the interests of the shareholders as a whole. Any perceived, potential or actual conflicts of interest between the Group and its directors are to be avoided. The Directors are required to disclose their interests, if any, in any transactions, arrangements or other proposals considered by the Board at Board meetings. They are further required to abstain from voting if any conflicts of interest arise or if they become aware of any perceived or potential conflicts of interest. All declared interests are properly recorded and made accessible by Board members. No director voted on any matter involving a potential or actual conflicts of interest between himself/herself and the Company or any of its subsidiaries in the Year.

Directors' and Officers' Insurance

We have maintained a Directors' and Officers' (D&O) Liability Insurance, which provides cover for any claims brought against our directors and officers since 2001. The coverage is reviewed every year to ensure that it remains adequate in light of changing trends in the insurance market and other relevant factors. The Insurance Policy is available for inspection by the directors upon request. No claim has been made against the Insurance Policy since 2001.

Compliance with Laws and Regulations

To ensure that the Group complies with relevant laws and regulations and, where appropriate, meets or exceeds industry best practices, we constantly review our practices to keep up to date with the latest developments in regard to all relevant laws and regulations. Trainings on important topics such as the Listing Rules, anti-corruption, personal data privacy, and trade descriptions and practices are provided from time to time.

Various policies and procedures including, among others, the Conflict of Interest Policy, Whistleblowing Policy, and Gifts and Entertainment Policy, are in place, setting out the standards of conduct that our employees are required to follow. These policies and procedures are reviewed from time to time and updated where necessary and are made available to our employees through our Company's intranet, with some of the policies being published on our website.

The Company regards consumer protection legislation as having a significant impact on the Group and takes active steps to ensure compliance.

With respect to the protection of personal data, the Group has a compliance manual, which is a practical guide complete with examples and illustrations, case studies and compliance checklists aiming to assist employees to comply with their obligations under the laws and regulations governing personal data. The step-by-step compliance checklists cover the entire life cycle of personal data from their creation to destruction to ensure that the Group respects privacy concerns while using big data to drive business value.

Representatives from all major departments in Hong Kong, Mainland China and Malaysia have attended compliance trainings on personal data privacy and personal information protection laws, the ones conducted in Hong Kong and the Mainland were given by the internal legal team and the ones in Malaysia given by an external law firm. The Group's legal team also attended external seminars and workshops on a regular basis to keep informed of developments in this important area. Changes and additions to the privacy policy and additional control measures are implemented on a timely basis. Our privacy policy is in compliance with the European Union's General Data Protection Regulation.

Apart from personal data protection, we have also devised a compliance manual for due compliance of the Trade Descriptions Ordinance. One training regarding the Trade Descriptions Ordinance and Labelling was conducted for colleagues in Hong Kong and Mainland in this Year. Other than legal requirements, the manual highlights the need for reasonable due diligence in the procurement and quality control process. The manual also includes a full set of compliance checklists, which provide our colleagues with practical guidance to help them fulfil their duties. The legal team regularly reviews and improves marketing and promotional materials as well as product information to ensure that the information provided to consumers are accurate and not misleading.

To ensure that our employees are properly trained in the legal requirements of trade description and trade practices, the legal team provides workshops or guidance to the business units on a regular basis.

To assist our colleagues with the classification of different products (including pharmaceutical products, orally consumed products, proprietary Chinese medicine, health food and supplements, and food), we have a compliance manual on "Medicine, Medical Advertisements and Food" detailing the laws and regulations governing each type of product. Workshops or guidance on the topic are provided to business units on a regular basis.

In relation to information known to "insiders" of the Group but not generally known to the market i.e. inside information, the Group has in place an Inside Information Policy setting out controls with regard to the handling and disclosure of such inside information and providing examples and illustrations to facilitate understanding and compliance.

Risk Management and Internal Controls

The Group's risk management and internal control systems is designed with reference to the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The Board is accountable for overseeing the Group's risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The management and other personnel are responsible for implementing and maintaining a robust system of internal controls that covers governance, compliance and risk management, as well as financial and operational controls. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, rather than absolute assurance of the followings:

- appropriateness and effectiveness of risk management and internal control systems;
- compliance with applicable laws, regulations, policies and procedures;
- reliability and integrity of financial reporting;
- effectiveness and efficiency of operations; and
- prevention and detection of fraud and irregularities.

The Board has delegated to the Risk Management Committee the overall responsibility for leading the management in the establishment and maintenance of appropriate and effective risk management and internal control systems.

For the Board's review relating to the Company's ESG performance, reporting and ESG risks, please refer to pages 48 to 92 of the "Environmental, Social and Governance Report" in this Annual Report.

Risk Management Framework

Our Enterprise Risk Management ("ERM") framework provides a systematic and disciplined approach to the risk management process, which is embedded in the system of internal controls and is an integral part of corporate governance. The ERM framework helps sustain business success, creates value for stakeholders and supports the Board in discharging its corporate governance responsibilities by proactively identifying, addressing and managing major risks within the Group.

Details of the ERM system and process are set out in the ERM Report on pages 117 to 124 of this Annual Report.

Quality Management System

The Group is fully committed to quality management. We continually track standard procedures and control processes which have already been embedded in the daily operations. Compliance and significant risk areas will be reviewed by Internal Audit and Management Services Department ("IAMS Department") during individual audit engagements.

Internal Audit Function

The IAMS Department is an independent and objective function that reports directly to the Audit Committee on a quarterly basis. The head of IAMS Department has direct access to the Chairman of the Audit Committee. In addition, the IAMS Department has unfettered access to review all aspects of the Group's activities including corporate governance, risk management and control processes. It assists the Board independently to review the effectiveness of the Group's risk management and internal control systems to seek continuous improvement. The Internal Audit Charter, approved by the Audit Committee and adopted by the Board, is available on the Group's website.

To embrace the new retail era, internal audits must cultivate innovation and ensure that our audit approaches are sufficiently agile to respond to organisational changes in the transforming retail landscape. We plan to deploy the latest technologies to optimise and elevate audit processes, and continue providing assurance over changing business processes, controls and risks. The transformation of internal audit functions is a journey involving the use of new approaches to planning, executing and reporting by leveraging the proliferation of data and technology, and the ultimate objective of which is to add value to the Group that meets the increasing expectations of the Board and the Group's management.

In order to maintain a high level of professionalism and to prepare ourselves for this transformation, members of the IAMS Department are continuously encouraged to attend relevant external workshops or seminars and to conduct online self-study to keep abreast of the latest developments in the field.

Internal Audit Activities

The IAMS Department adopts a risk-based approach to developing the annual and revised quarterly audit plans that are aligned with the ERM framework and are strategic and objective centric. Potentially auditable activities are identified, prioritised and scoped based on our dynamic and continuous risk assessment which covers business activities involving material risks across the Group.

The Audit Committee reviews and approves the annual audit plan and all major subsequent changes made in the regular meetings. Significant financial, operational, compliance and fraud risk areas are further assessed during individual audit engagement to evaluate control effectiveness.

All findings and recommendations on internal control deficiencies for each audit engagement are communicated to management who are required to establish remediation plans to correct those control deficiencies within a reasonable time period. Post-audit reviews are performed to monitor agreed action plans and to ensure that corrective measures for previously identified control deficiencies have been implemented as intended and on a timely basis. Significant deficiencies of individual engagement are reported to and reviewed by the Audit Committee.

Aiming to enhance responsibility and accountability for risks and controls among management, we will continue to foster the implementation of control self-assessment within selected business units and processes. This involves identifying process owners and ensuring that they are responsible for assessing whether internal controls are present and functioning in their responsible processes. Benchmarking audit work will also be performed by the IAMS Department to assure their quality.

Review of Risk Management and Internal Control Effectiveness

Through the Audit Committee, the Board has conducted an annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 March 2025, covering all material financial, operational and compliance controls. The Board considers the Group's risk management and internal control systems to be effective and adequate. There were no suspected material irregularities or significant areas of concern identified during the year that might cause potential impact to our Shareholders.

The Audit Committee has annually reviewed the adequacy of resources, qualifications, experience and training programmes of the Group's IAMS and accounting and financial reporting staff and considered that staffing is adequate, with a conclusion that all staff members are of sufficient competence to carry out their designated roles and responsibilities.

Shareholders and Investors

2025 Annual General Meeting

The AGM provides the Board with an opportunity to meet and engage directly with our Shareholders. The AGM for the Financial Year will be held on or around Thursday, 21 August 2025. Separate resolutions will be proposed at the meeting on each substantially separate issue and all voting will be conducted by poll. Notice of the AGM together with a circular, which sets out each resolution to be proposed at the AGM, will be dispatched to the Shareholders on or around 21 July 2025.

Shareholders' Rights

Our Shareholders have the right to convene general meetings and to put forward proposals, details of which can be found on our website and on pages 125 to 129 of the "Investor Relations Report" in this Annual Report.

Shareholders are also welcome to make enquiries to the Board. For the procedure and contact details, please refer to pages 125 to 129 of the "Investor Relations Report" in this Annual Report.

Communication with Shareholders

The Board and management maintain a continuing dialogue with the Group's shareholders and investors through various channels. The Chairman, other members of the Board and the external auditor attend AGM to meet shareholders. The Directors will answer questions raised by the Shareholders on the performance of the Group. The Company holds press conferences and/or analyst briefings twice a year following the release of interim and annual results announcements at which the EDs are available to answer questions and receive feedbacks regarding the performance of the Group. Our corporate website which contains corporate information, interim and annual reports, announcements and circulars issued by the Company as well as the recent developments of the Group enable the Company's shareholders to have timely and updated information of the Group. Shareholders can refer to the "Shareholders' Communication Policy" posted on our corporate websites for more details.

The prevailing Shareholders' Communication Policy has been reviewed by the Board and was considered appropriate and effective with reference to the Company's shareholders base and composition. Based on the activities conducted as disclosed in the Investor Relations Report on pages 125 to 129, the Board is satisfied that the Shareholders' Communication Policy has been effectively implemented during the year.

Dividend Policy

The Board formalised and adopted a Dividend Policy in February 2019 and updated in November 2024. The main part of the policy is set out below.

Policy Statement

1. Factors to be considered when deciding on dividend payout include the Company's financial performance and cash flow position, return to shareholders, cash needed for the Group' s business operations, expansion and inventory, capital expenditure requirements, funding for other business opportunities, and also a healthy financial buffer for unforeseen market circumstances.
2. With a view to providing stable financial return to shareholders while retaining adequate reserves for market fluctuation and future growth, it is the Company' s policy to pay regular dividends once or twice a year with a target pay out ratio of not less than 50% of the profit for the year attributable to owners of the Company.
3. The payment of dividends is subject to any restrictions under the laws and the Company' s articles of association. The target pay out ratio above may be adjusted if circumstances require having considered the factors in paragraph 1.

Scrip Dividend Alternative

4. The Board may offer a scrip dividend alternative with or without discount if it considers appropriate based on the expected costs to the Company, the dilution effect and shareholders' expectation. The scrip dividend scheme has the advantages of enabling shareholders to increase their investment in the Company without incurring brokerage fees, stamp duty and related dealing costs, while at the same time allowing the Company to retain for use, as working capital or as funding for new investments, the cash that would otherwise have been paid to the shareholders had they elected to receive the dividend in cash, in whole or in part.

Unclaimed Dividends

5. Pursuant to Article 156 of the Company' s articles of association, all dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company, and after such forfeiture no shareholder or other person shall have any right to or claim in respect of such dividends or bonuses.

Constitutional document

There was no change made to the constitutional document of the Company during the period under review. A copy of the constitutional document is available on the website of the Company and that of HKEX.

Other shareholder-related information

For details of the 2024 annual general meeting, upcoming important dates and year-end public float capitalisation, please refer to pages 125 to 129 of the "Investor Relations Report" in this Annual Report.

Directors' Acknowledgement on Financial Reporting

The directors collectively acknowledge their responsibility for preparing the financial statements of the Company and its subsidiaries for the Year.

ENTERPRISE RISK MANAGEMENT REPORT

Our Approach

Effective risk management is essential to the achievement of the Group's strategic objectives and starts with the right conversations between the right stakeholders to drive the 'right' business decisions.

The Group's ERM system offers a systematic and disciplined approach to provide clear responsibility and accountability structures for risk management. It consists of three major components: risk governance; risk infrastructure and oversight; as well as assignment of risk ownership.

We actively identify and embed mitigating actions for material risks that could impact our current or future performance. Our risk management efforts engage all stakeholders in order to ensure we focus on the risks that could have the greatest impact and we take all reasonable steps to mitigate, but not necessarily eliminate, our principal risks. Accountability for managing risk is embedded into our management structure, an annual risk assessment establishes mitigation plans and monitors risk on a continual basis.

Risk Management Committee (RMC)

The RMC, acting for the Board, independently reviews the assessment at least annually and receives regular reports on the risks faced across the business and the effectiveness of the actions taken to mitigate these risks. We use internal and external data to monitor our risks and to make proactive interventions. We also establish cross-functional working groups and use expert advice where necessary to ensure significant risks are effectively managed and, where appropriate, escalated to the RMC and the Board for consideration.

The Board is responsible for determining the Group's risk profile and risk appetite, with the latter defining the acceptable tolerance levels for key risks. The Board oversees the Group's risk management framework, reviews the Group's key existing and potential risks and their respective mitigation strategies, and ensures risk management effectiveness.

The Group formed the RMC in 2009 that comprises three Executive Directors as part of the Group's commitment to further enhancing our control environment. The RMC has written terms of reference that set out the responsibilities of the members, which are available on the Company's website. The RMC assists the Board in providing leadership to the management in relation to risk management and internal control. The RMC has overall responsibility for the establishment and maintenance of an appropriate and effective risk management and internal control systems including the design, implementation and monitoring of such systems for the Group.

For the year ended 31 March 2025, the Committee held two meetings to assess and re-assess the major risks and to review the management of these risks and the effectiveness of mitigation actions, while also actively identifying any positive business opportunities that arise in relation to these risks.

Enterprise Risk Management (ERM)

Risk assessment is the identification and analysis of existing and emerging risks in order to form a basis for determining how risks are managed in terms of likelihood and impact. Risk areas are categorised into strategic, operational, financial and compliance perspectives for further assessment and management. A bottom-up and top-down approach is adopted to ensure a holistic risk management process, and a risk register has been maintained since the inception of the ERM system. This register has been regularly monitored and updated by taking emerging risks into account for continuous risk assessment purposes and building the risk-based internal audit plan.

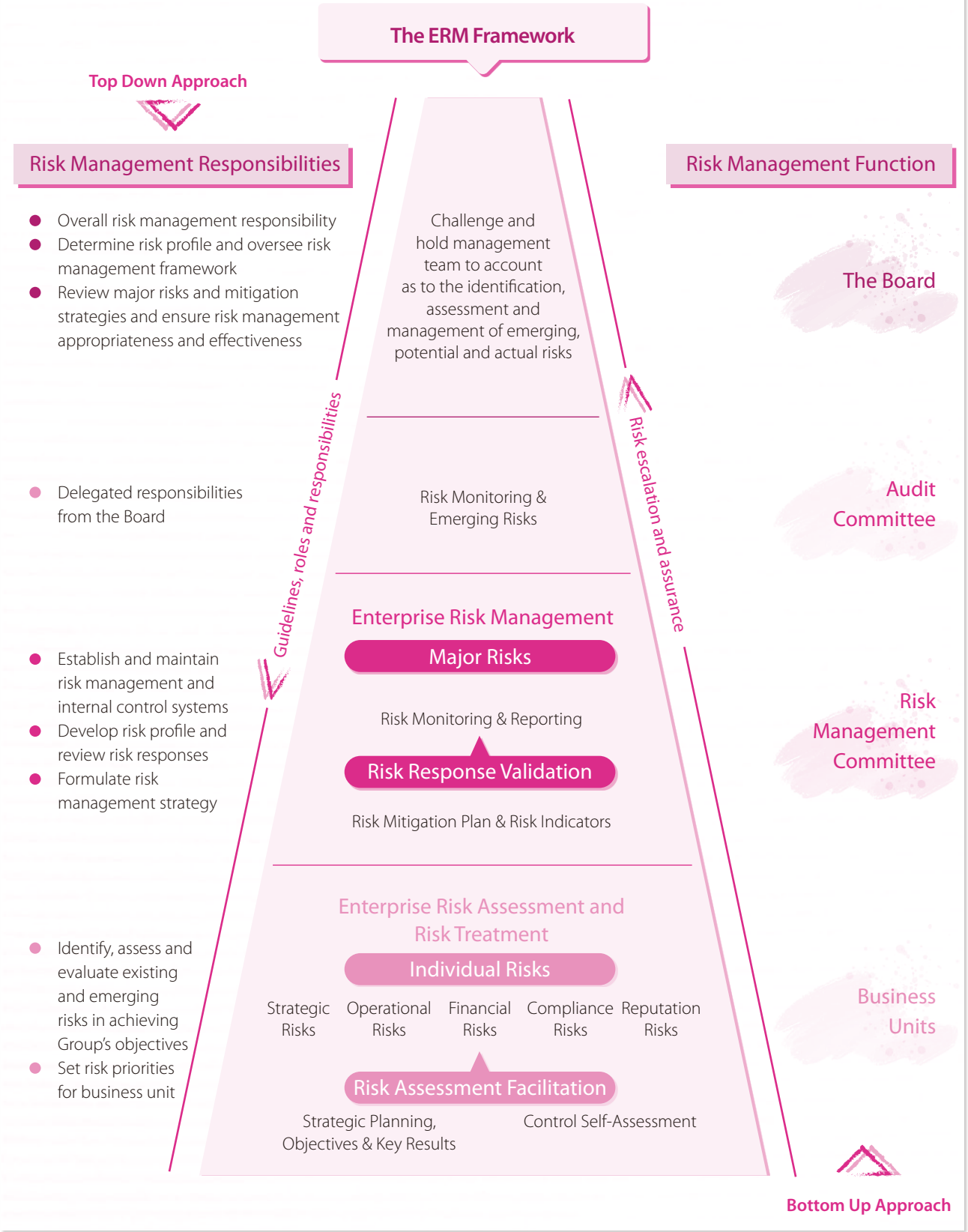
The Group has in place the Control Self-Assessment, requiring all business units and major departments in the headquarters to annually identify potential and significant risks and assess the adequacy and effectiveness of risk management and internal controls.

ERM uses risk indicators to identify and monitor major risks. The setting of risk indicators aligns with the risk appetite, representing the magnitude of risk the Group is willing to undertake in order to achieve its business goals. Risk owners are required to take mitigating actions to address these risks. Such actions are integrated into the Group's day-to-day management while their effectiveness are closely measured by risk indicators. This is used as a basis for reporting and discussion in the management meetings as well as in RMC meetings. If any risk indicators are worsening, the responsible risk owners are required to re-assess the existing remedial action plans and promptly propose new plans if necessary.

Members of the RMC meet as often as necessary to review and discuss the risk management progress of each of the major risks and to provide a continuous update on the business environment and to monitor any changes. The Internal Audit and Management Services Department ("IAMS Department") carries out continuous assessment on the progress of risk management procedures while it also evaluates the risk responses submitted by risk owners. The IAMS Department facilitates the RMC in reporting significant risks, material changes and the associated mitigating actions to the Audit Committee on a quarterly basis.

Purpose driven annual strategic planning based on objectives and key results aligned to the Group's strategic objectives (see section headed "Our Strategy") incorporating key performance indicators for all functions is conducted annually and progress is measured regularly throughout the year. These plans incorporate risks identified through ERM and provide management with a comprehensive set of indicators for monitoring both business performance and the associated risks. An illustrative diagram describing our ERM framework is set out on page 118.

Risk Governance & Infrastructure



Principal Risks

The RMC considers principal risks to be the most significant risks faced by the Group, including those that are the most material to our performance and that could threaten our business model or future long-term performance, solvency or liquidity. They do not comprise all the risks associated with our business and are not set out in priority order. Additional risks not known to management, or currently deemed to be less significant, may also have an adverse effect on the business.

The RMC formally reviews emerging risks. Our management team undertakes horizon-scanning to monitor any potential disruptions that could dramatically change our industry and/or our business, from both a risk and opportunity perspective, to understand the changing landscape and take appropriate actions. We are currently monitoring a number of emerging risks across the business.

The following list does not include all of our risks, and the risks listed are not set out in order of priority. Risk Assessment refers to the relative change in risk intensity from the prior year.

Risk and Impact	Mitigation Plans	Risk Assessment
1. Consumer Behaviour and Lifestyle Choices Consumer patterns are being disrupted by, but not limited to, digital technology, health and lifestyle priorities, altered consumption behaviour, and new formats and technologies. Consumer behaviour and lifestyle of local residents in Hong Kong has changed, with consumers more likely to return home earlier at night and a preference to travel during holidays, particularly to Mainland China. Travel to Shenzhen just north of the boundary can be quicker than to other places within Hong Kong, making the casual unplanned trip to Mainland China an increasing trend. This poses a risk to our business with more household spend allocated to travel and less hours allocated to shopping in Hong Kong, particularly at weekends and long public holidays. Inability to respond and adapt our products or processes to these disruptive market forces could impact our ability to effectively service our customers and consumers with the required agility, and result in financial loss.	The Group has formulated strategic plans and implemented management initiatives including: – Focussing on exclusive brands product mix to increase gross margin; – strengthening emerging product category sales such as inner beauty and beauty equipment to grow average sales value per transaction; – exploring new sales channels such as online livestreaming; – enabling OMO and improving the flexibility for consumers to shop and receive their goods; – systematic review of emerging consumer and route to consumer trends at market and brand level; and – variance analysis, we identify changes in consumer attitudes and spending. In addition, the Hong Kong government is actively tackling these intrinsic structural issues by stimulating the night-time economy and inbound travel.	**Increasing**

Risk and Impact	Mitigation Plans	Risk Assessment
2. Product Competitiveness Our success hinges upon our ability to identify product trends, anticipate changing customer demands, and respond promptly. However, we face the risk that our products may not gain consumer acceptance due to the rapid shifts in consumer preferences, for example, the increasing prominence for niche brands and, China brands among Mainland Chinese consumers.	As part of our strategic planning, we engage third-parties to conduct research, including engaging consumers and conducting focus group discussions in order to understand customers preferences and gain insights into emerging trends. We are implementing a revamped CRM program and investing in data analysis to identify consumer preferences and trends, and provide personalised experiences. Our Category Management and Product Development team is actively introducing new and emerging brands from around the world to address changing consumer preferences and enhance customer loyalty. We have a highly diversified portfolio of brands from across the world, to ensure broad coverage of consumer occasions, country of origin, trends and price points. Our offering of a broad range of quality beauty products at competitive prices is in line with the proven concept of serving as a "one-stop beauty product specialty platform". While our core categories are skincare, make-up and fragrance, developing new product categories in line with our purpose of "making life beautiful" such as beauty equipment and inner beauty related health and fitness products, is a core driver of growth. By adopting a broader product offering, we can also better serve and hence improve the loyalty of existing customers, and also attract new customers and customer segments.	**Increasing**
3. Product Quality and Counterfeit Accidental or malicious contamination of raw materials or finished product; quality control issues through our supply chain management; and/or ineffective intervention to address quality issues in products supplied to market, could cause harm to consumers, damage our corporate and brand reputation.	The Group invests significant resources in quality control to ensure only genuine and quality products are sold through our channels. In recognition of these efforts, the Group has received Q-Mark Elite Brand Award for the past 19 years. Additionally, the Group has participated in HKSARG Intellectual Property Department's "No Fakes Pledge" Scheme for 20+ years and has been recognised under "The Quality Tourism Services Scheme" by Hong Kong Tourism Board. The Group is so confident in these investments that both online and offline customers enjoy a 30-day Purchase Guarantee. Regular risk assessments are undertaken against our product quality standards.	**Stable**

Risk and Impact	Mitigation Plans	Risk Assessment
4. Market Concentration Risk The Group's core region and sales channel is offline stores in Hong Kong and Macau SARs, where 42.5% of sales (71.5% pre-covid) were from Mainland Chinese tourists. During four years of covid, numerous alternative sales channels have opened up in Mainland China, including the duty free island of Hainan. Mainland Chinese shopping habits have somewhat changed and they are accustomed to shop at these alternative channels. This could significantly impact the ability of the Group to recover tourist sales mix to pre-covid levels.	One of the Group's core strategic goals is to diversify sales channels outside offline stores in Hong Kong and Macau SARs. In order to facilitate steps towards these goals, accountability of markets and channels is clearly established with designated management teams. Strategic plans for each market are clearly defined and encompass the Group's core strategic pillars of: 1. Customer-centric approach, 2. Sourcing quality global trend products and 3. Intergrated omni-channel shopping journey. Please refer to "Our Strategy" on page 16 to 20. We have strengthened our content marketing on trending social media applications such as Xiaohongshu to reach our target consumers and communicate our product offering. We also align online and offline promotional activities and run complementary marketing campaigns promoting interaction with consumers and the creation of a holistic shopping experience. We are focused on enabling OMO in order to stay "customer-centric" and allow them to shop across channels and jurisdiction with consistency of experience. We are striving to accelerate OMO development by further increasing collaboration between our online business teams and our retail store business units, and deploying technology to enhance seamless touch points with customers. We leverage the offline store Beauty Consultants to provide best-in-class consumer experience and act as the glue for OMO via chat commerce.	**Decreasing**

Risk and Impact	Mitigation Plans	Risk Assessment
5. Cybersecurity and Personal Data Privacy Risks There is a rise in cyber-attacks and related crimes. Sophisticated cyber and IT threats (both within our network and at third parties), including those facilitated through breaches of internal policies and unauthorised access continue to be prevalent, and could lead to theft, loss and misappropriation of critical assets, such as personal and consumer data, and operational/production systems. As the world becomes increasingly digital and the collection and use of data becomes more prevalent, the potential risks related to data collection and use within the Group are also expected to intensify. Personal data privacy risks may result in losses to our customers, potential fines, and damage to our reputation and business.	To mitigate these risks, we have invested in: • Enterprise-wide cyber risk management processes and policies are in place. • Cyber security training and awareness outreach program, including regular phishing exercises to deliver anti-fraud messages and increase public awareness of scams among all employees. • Identity and access management framework. • IT disaster recovery and business continuity testing across key systems. • Monitoring of internal systems and response strategies for cyber threats. • The Group has a personal data privacy policy in place and has developed a compliance manual, a practical guide complete with examples and illustrations, case studies and compliance checklists – aiming to assist employees comply with their obligations under laws and regulations governing personal data. These measures are aimed at proactively protecting our digital assets, minimising the impact of cyber incidents, and ensuring the confidentiality, integrity, and availability of our systems and data.	**Increasing**
6. Talent Succession for Critical Positions The departure of employees who hold critical positions within the organisation for an extended period of time can present a significant risk to business continuity. In situations where such departures are at short notice or beyond the control of the organisation, such as retirement, illness, or unforeseen circumstances, there is a genuine concern regarding the potential loss of invaluable knowledge and expertise. This loss could have a significant impact on the seamless continuity of business operations. The wealth of experience and industry insights possessed by these seasoned professionals represents an irreplaceable asset that greatly contributes to the success and stability of the Company.	To proactively manage this risk, we have embedded succession plans in our people management practices and conduct annual reviews of these plans to ensure a smooth transition and mitigate any potential disruptions. The plan includes: • Identifying potential candidates with the necessary skills, knowledge, and potential to assume key positions in the future. This can be achieved through performance evaluations, talent assessments, and discussions with managers and department heads. • Establishing a talent pool: Implementing development plans to cultivate potential successors and prepare them for future positions. This may involve providing training, mentoring, job rotations, stretch assignments, and exposing them to cross-functional teams or projects.	**Stable**

Risk and Impact	Mitigation Plans	Risk Assessment
7. Talent Acquisition, Training and Retention Competition for talent has been a recurring theme and continues to remain a challenge for the Group. However, demographic changes post pandemic have increased the severity of this risk including reduction in the working population due to emigration abroad and overall low unemployment rate. Human capital is one of the most important, if not the most, assets. The Group is actively adopting new recruitment channels and optimising training and development programmes to attract, develop and retain talents to support the Group's future growth.	**New Recruitment Channels** In addition to expanding our traditional recruitment channels, the Group is leveraging the power of social media, mobile apps and other electronic channels to acquire talent and raise our profile with the public. The Group also makes use of internal resources and networks through the Staff Referral Scheme. **Home Grown Talent – Future Management Pipeline** Our Management Trainee Programme targets high potential university graduates, offering them an individually planned, fast track career path to managerial level in our frontline sales operations or e-commerce business. Over the years, the scheme has provided many managers for the organisation. **Training and Development** We have in place a series of effective functional training and development programmes such as Junior Beautician Trainee (JBT) and Sales Trainee programmes, These are offered in our Sa Sa Beauty Academy, 'Big Sister and Brother scheme' and the Sa Sa e-learning platform with the aim of upgrading staff competency levels, ensure consistency in service quality and to promote team spirit. The JBT programme helps to equip new joiners with relevant professional product knowledge and offers skillsets to achieve service and selling excellence. The Big Sister and Brother scheme aims to create a harmonious working environment, strengthen bonding relationships, encourage the sharing of experience and improve frontline staff retention. Our one-stop e-learning platform consolidates all training and development courses into one database, enabling frontline staff to access all relevant training information so that they can learn at times that are convenient to them without requiring extra travel and expense.	**Increasing**
8. Technology and Artificial Intelligence There is an increasing trend in using newly developed technology and artificial intelligence ("AI") in business operation, aims to be more efficient, creative and to provide more tailor-made services and experiences to the customers. Therefore, if we are not being up-to-date with these technologies, it would reduce our competitive advantage. However, due to increasingly usage of the new technology and AI tools, certain risks associated also need to be dealt with. Privacy related risk, such as compliance with required privacy notices and receipt of consents in using certain data, are significant concerns. The complexity and lack of transparency in many AI models and technological tools, coupled with the speed of technological advancements may make it difficult for companies to understand, assess and manage their functions while fully recognising the related risks.	To stay ahead of the times, the Group actively adopts AI technology to deliver innovative experiences to customers. On the online shopping platform, the Group has introduced an "AI Beauty" that analyses customers' skin and hair conditions to recommend suitable skincare and haircare products, enhancing the personalisation of the shopping experience. Additionally, the Group has launched an "AI Makeup Artist" service in physical stores, offering tailor-made makeup suggestions to customers. This not only enriches the in-store experience but also helps attract more customer engagement and strengthen brand loyalty. We actively manage AI-related privacy risks by implementing strict data controls, conducting regular compliance audits, and training staff on responsible AI use. All systems require explicit user consent and minimise data retention. We vet third-party AI tools to ensure they meet our privacy standards, protecting customer information while leveraging technology's benefits.	**Increasing**

Risk and Impact	Mitigation Plans	Risk Assessment
9. Geopolitical Volatility and Business Interruption Geopolitical forces, coupled with macro-economic stress, increase the likelihood of international and domestic tensions, disputes, conflict, unrest, and crime. A significant interruption to our business due to external events or a global health emergency could restrict access to our products, negatively affect our operations and brands, or pose a threat to the safety of our employees; any of which could have a negative impact on our commercial and financial performance.	We have policies in place to prioritise the health and safety of our people. There is a Business Continuity Programme in place, including training, to enhance our capability to react effectively to a crisis and minimise disruption. Supply chain risk and inventory management enable us to better to maintain operations through volatility. Multi-channel product availability enables consumers to flexibly continue to purchase our products. Insurance policies are in place to protect against the financial consequences of covered events. Home working capability is well established and supports business continuity.	**Increasing**
10. Macroeconomic and Financial Volatility Consumer demand is increasingly disrupted as a result of heightened macroeconomic volatility, with inflation and cost-of-living crises across many countries adversely impacting consumer spending power. Failure to react quickly enough to changing macro-economic conditions and financial volatility could erode consumer confidence and propensity to spend, adversely impacting financial performance. Macroeconomic conditions include inflationary pressures, unemployment and global trade tensions. Financial volatility risk could arise from variability in financial and property markets, interest rate fluctuations and currency instability.	We monitor local and global key business drivers and performance to prepare for changes in the external environment. • Currency monitoring takes place in combination with forecast forex receipts and payments to manage volatility which arises. • Group-level strategic analysis and scenario planning is managed at both headquarters and at local level, to manage risk across the business. • We have multi-country and local sourcing strategies. • Acute issues including inflation are embedded in monthly country level management meetings and managed accordingly. We actively manage down the working capital life cycle to preserve cash.	**Increasing**

INVESTOR RELATIONS REPORT

Sharing Timely and Accurate Corporate Information to Enhance Transparency

In this ever-evolving information age, the Group is committed to engaging in timely and effective communication with both individual and institutional shareholders (collectively named as "shareholders"), fostering a two-way, long-term, and sustainable relationship. Through enhancing corporate transparency, we enable shareholders to make informed investment decisions, while timely and close two-way communication will ensure our business strategies aligning with the long-term interests of investors.

Sa Sa's investor relations team is committed to delivering accurate information to the capital markets in a timely, non-exclusive and high transparency manner. In addition to fulfilling mandatory reporting requirements for listed companies, such as annual results announcement and shareholder meetings, we also leverage various media channels, enhance digital applications and explore various modes of corporate communication and interaction, including quarterly performance announcements, social media updates, press releases, conference calls, and webcasts.

The Group places great importance on the quality of investor meetings. The investor relations team ensures that all published information is accurate and queries from shareholders regarding the industry and the company are addressed clearly and objectively, conveying a complete corporate story and message. Through two-way communication with shareholders, the Group continuously reviews its business status and explores new thoughts and ideas, aligning our business strategy with the long-term interests of investors.

Furthermore, the Group integrates the sustainable development principles of ESG (Environmental, Social, and Governance), promoting collaborative efforts among stakeholders, including shareholders and investors, to promote a "sustainable beautiful life". We are dedicated to continuously improving our ESG strategies and execution, disclosing the Group's achievements and contributions in this area through various communication channels. An independent third party has been engaged to conduct reasonable assurance on the ESG report, which can be referenced on pages 48 to 92.

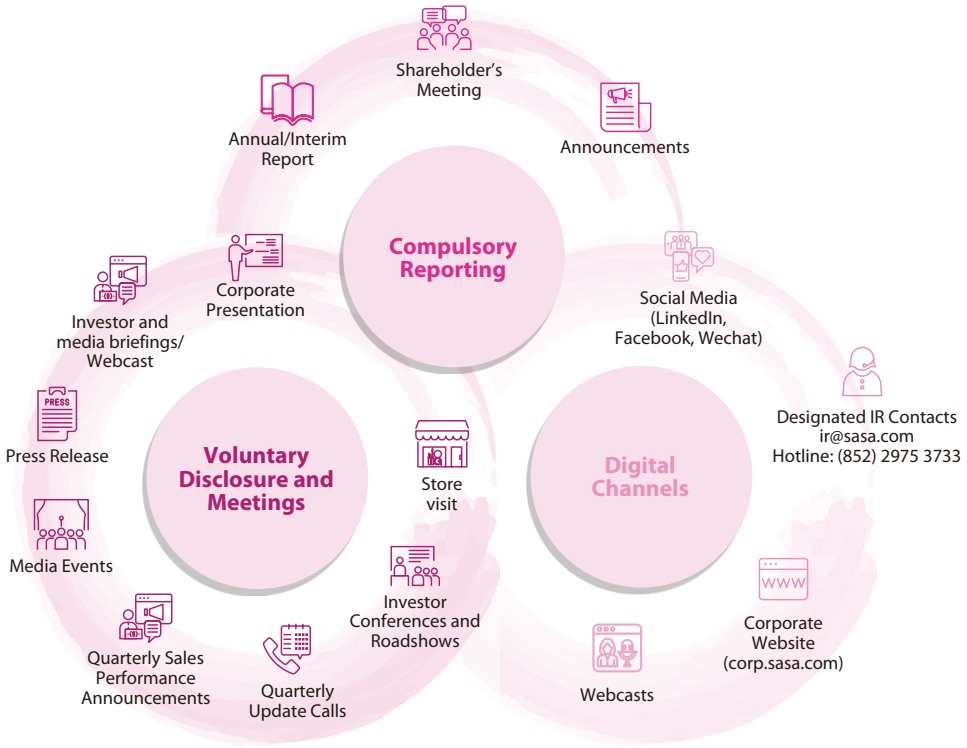
The Board reviews the corporate and shareholder communication policies annually to ensure the timeliness and effectiveness of corporate messaging, enabling shareholders and other stakeholders to fully understand the Group's business and development status. The Board is satisfied with the effectiveness of these policies.

Mr David CHUNG
Executive Director and Chief Financial Officer

1. Shareholders' Communication Policy

To facilitate effective and systematic communications with Shareholders and to attain a higher standard of investor relations practices, the Board approved and adopted the "Shareholders' Communication Policy" on 19 March 2012, setting out the aims and practices of the Company to engage in two-way communication with Shareholders and the investment community. The Policy is available on the Company's website for public reference.

2. Communication Platforms



Multiple Channels of Communication

3. Digital IR

We continue to upgrade our investor relations activities to encompass more communication channels and to encompass digital. Embracing an open "physical x online" approach, we aim to maintain a high level of transparency and effective real-time communication with investors worldwide, irrespective of geographical or weather constraints. During key events such as interim and annual announcements, the Group uploads recorded videos to the corporate website for stakeholders to stay updated on the latest company developments.

Regarding information disclosure, the Group actively leverages online and social media channels to digitally communicate with investors. This includes providing QR codes to investors during analyst presentations, allowing them to access company presentations on electronic devices and reducing paper waste. These convenient and paperless measures will continue to be implemented, paving the way for more sustainable and efficient investor communication strategies.

Investor Relations Activities

Our corresponding strategies aim to provide transparency on the latest market developments and their impact on the Group's performance and this is a key focus in our core communication materials, including financial reports, announcements, press releases and social media posts. The Group ensures the changes in the retail sector post-pandemic, the differences in consumer habits of Mainland tourists to Hong Kong and Macau, the Group's response measures, and relevant policies influencing the tourism and consumption industries are communicated effectively in every investor meeting or event, in a timely and transparent manner. Furthermore, the Group outlines how these factors will affect its operations and financial performance.

Roadshow and Conference

Q1	Q2	Q3	Q4	
Apr–Jun	Jul–Sept	Oct–Dec	Jan–Mar	FY2024/25
Sales Update *Organiser: DBS (Online)*	**Q1 Sales Update** *Organiser: Parkway Asia (Online)*	**Result Announcement** *Organiser: Citi (Offline)*	**Q3 Sales Update** *Organiser: DBS (Online)*	
Organiser: Point 72 (Offline)	*Organiser: DBS (Online)*	**Q2 Sales Update** *Organiser: DBS (Online)*	**Jefferies 6th Asia Forum** *Organiser: Jefferies (Offline)*	
Organiser: Wideview Asset Management (Offline)	*Organiser: CMBC (Offline)*	*Organiser: DBS (Offline)*		
Result Announcement *Organiser: Sa Sa Annual Results Investor Presentation (Hybrid)*	*Organiser: ICBC (Offline)*	*Organiser: Sa Sa Interim Results Investor Presentation (Hybrid)*		
	Organiser: Jefferies (Offline)	*Organiser: American Century (Offline)*		
	Organiser: Guoyuan (Offline)			
	Organiser: Point 72 Asset Management (Offline)			
	Organiser: Tritree Capital (Offline)			

Information for Shareholder

Shareholders' Meetings

Shareholders' meetings are held to ensure Shareholders can participate in or appoint proxies to hear from and put questions to Directors regarding the Group's performance, and to vote for resolutions as set out in the AGM Notice. These are proposed at the AGM for consideration and, where appropriate, approval by the Shareholders. The last Shareholders' meeting was the AGM held at Training Room 1, 8/F, Block B, MP Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on 22 August 2024 (Thursday) at 12:30 p.m. Particulars of the major items considered at the AGM are set out in the circular dated 19 July 2024. All proposed ordinary resolutions were passed by way of poll voting at the AGM. The 2025 AGM will be held at Training Room 1, 8/F, Block B, MP Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong on 21 August 2025 (Thursday) at 12:30 p.m.

Shareholders' Rights

Shareholders can make a request to convene a general meeting on the written requisition of any two or more Shareholders or on the written requisition of any one Shareholder that is a registered clearing house, provided that such requisitions held as at the date of deposit of the requisition are not less than one-tenth of the paid-up capital of the Company. Such percentage of requisitions carries the right of voting at general meetings of the Company, according to the procedures as set out in "How Shareholders Can Convene an Extraordinary General Meeting", which is available on the Company's website for public reference.

Towards the end of each general meeting held by the Company, there are opportunities for Shareholders to raise questions or put forward proposals. Shareholders may also contact Investor Relations at ir@sasa.com or by writing to 8/F, Block B, MP Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong if they have proposals they would like the Company to consider at any other time. Shareholders who wish to propose a formal resolution for consideration at the Shareholders' meeting should convene an Extraordinary General Meeting by following the procedures mentioned in the first paragraph of this section. Enquiries may also be made at any time via the captioned methods.

Shareholder Information

Financial Calendar	
FY2024/25 interim results announcement	14 November 2024
FY2024/25 annual results announcement	19 June 2025
For determining shareholders' eligibility to attend and vote at AGM Closure of register of members	18–21 August 2025 (both days inclusive)
Record Date for eligibility to attend and vote at AGM	21 August 2025
Annual General Meeting	21 August 2025
FY2025/26 interim results announcement	Mid to late November 2025

Share Listing	
First listed on the Stock Exchange of Hong Kong	13 June 1997

Listing and Stock Codes	
Ordinary Shares	
The Stock Exchange of Hong Kong	178
Bloomberg	178 HK Equity
Reuters	0178.HK
ADR Level 1 Programme	SAXJY

Stock Information	
Board lot	2,000 shares
Nominal value per share	HK$0.1
Number of ordinary shares issued as at 31 March 2025	3,103,189,458
Public float as at 31 March 2025	Approximately 35.8%

Share Performance

Share Performance	FY2024/25	FY2023/24
Closing price as at 31 March (HK$ per share)	0.62	0.83
Highest price (HK$ per share)	0.93	1.96
Lowest price (HK$ per share)	0.60	0.78
Average daily trading volume (million shares)	3.3	3.1
Average daily trading amount (HK$ million)	2.4	4.0

Market Capitalisation

As at 31 March	Market Capitalisation HK$ Billion
2025	1.9
2024	2.6
2023	5.7
2022	4.3
2021	5.5

Dividend History

The Group will strive to maintain a consistently high dividend payout policy whenever profitable, taking into consideration the Group's high return on equity, development plans and cash flow. The decision of the Board also takes into account any special circumstances.

Dividend Per Share (HK cents)

Financial Year	Basic Interim	Basic Final	Special Interim	Special Final	Total	Dividend Yield (%)	Dividend Payout Ratio
2024/25	0.75	1.7	–	–	2.45	3.9%	70%*
2023/24	–	5.0	–	–	5.0	6.0%	71%
2022/23	–	–	–	–	–	–	–
2021/22	–	–	–	–	–	–	–
2020/21	–	–	–	–	–	–	–

* Taking core profit for the Year HK$107.0 million to calculate dividend payout ratio.

Investor Relations Enquiries and Communications

For enquiries regarding investor relations or corporate information, please contact:

Corporate Communications and Investor Relations Department
Sa Sa International Holdings Limited
8th Floor, Block B, MP Industrial Centre, 18 Ka Yip Street,
Chai Wan, Hong Kong
Investor relations hotline: (852) 2975 3733
Email: ir@sasa.com

Shareholders Service and Enquiries

For enquiries about your shareholding including change of name or address, transfer of shares, loss of share certificates or dividend cheques, registrations and requests for annual/interim report copies, please contact the Company's branch share registrar and transfer office:

Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Tel: (852) 2980 1333
Fax: (852) 2810 8185
Email: is-enquiries@hk.tricorglobal.com
Website: www.tricoris.com

Shareholders can manage their shareholding online by creating an online Member Account with Tricor Investor Services Centre or use their online Holding Enquiry Services to enquire about holding details, such as company and personal particulars as well as share balances. For details, please visit www.tricoris.com.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 March 2025 (the "Financial Year" or the "Year").

Principal Activities and Segment Analysis of Operations

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries are set out in note 31 to the consolidated financial statements.

An analysis of the Group's turnover and results for the Year by business segments is set out in note 6 to the consolidated financial statements.

Business Review

A fair review of the Group's business is provided in the MD&A section (pages 27 to 39). Description of the principal risks and uncertainties facing the Group can be found in the ERM report (pages 117 to 124). No important event affecting the Group has occurred since the end of the Financial Year under review. The outlook of the Group's business is discussed under Our Strategy (pages 16 to 20) and the MD&A section (page 39). Certain financial key performance indicators which complement and supplement our financial disclosures are set out on pages 21 to 24. An account of the Company's relationships with its stakeholders and discussions on the Group's environmental policies and performance are included in the ESG report. To the extent necessary for an understanding of the development, performance or position of the Company's business, discussions on the Company's compliance with the relevant laws and regulations that have a significant impact on the Company are set out in the CG report.

The above sections form part of this Directors' Report.

Results and Appropriations

The results for the Year are set out in the consolidated income statement on page 150.

An interim dividend of 0.75 HK cents (2024: Nil) per Share was paid on 2 December 2024. The Board proposed the payment of a final dividend of 1.7 HK cents per Share (2024: 5.0 HK cents per Share), such dividend will be proposed for approval by Shareholders at the AGM to be held on Thursday, 21 August 2025, and are payable to Shareholders whose names appear on the Register of Members of the Company on Thursday, 28 August 2025. Total dividends paid and to be paid in respect of the Year amounted to HK$76,028,000.

Dividend Policy

The Company has a policy on the payment of dividends, which is set out in the Corporate Governance Report on page 116.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last 10 financial years is set out on pages 21 to 24 of this Annual Report.

Major Customers and Suppliers

During the Year, the percentage of purchases attributable to the Group's five largest suppliers combined and the percentage of sales attributable to the Group's five largest customers combined were both less than 30% of the Group's respective purchases and sales for the Year.

Reserves

Details of the movements in reserves of the Group and the Company during the Year are set out in notes 27 and 32 to the consolidated financial statements.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

Share Capital

Details of the movements in share capital of the Company during the Year are set out in note 26 to the consolidated financial statements.

Equity-linked Agreements

Save for the Share Option Schemes as set out on pages 131 to 136 of this Annual Report, there was no equity-linked agreement entered into by the Company during the Year or subsisted at the end of the Year.

Share Options

Share Option Schemes

- **2012 Share Option Scheme**

  A share option scheme was adopted on 23 August 2012 and became unconditional and effective on 27 August 2012 ("2012 Share Option Scheme"). The 2012 Share Option Scheme expired on 23 August 2022. Upon expiration of the 2012 Share Option Scheme, no option was available for grant as at 1 April 2024 and 31 March 2025 and no further options were granted under it during the Year but its provisions continued to govern options granted under this scheme up to and including 23 August 2022. The total number of shares which may be issued upon exercise of all options granted under the scheme is 300,000 Shares, which represented 0.01% of the total issued share capital of the Company as at 31 March 2025. A summary of the 2012 Share Option Scheme is set out below:

  (a) Purpose

  To provide Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole.

  (b) Participants

  Any directors (including executive, non-executive directors and independent non-executive directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any members of the Group whom the Board or a duly authorised committee thereof considers, in its sole discretion, to have contributed to the Group.

  (c) Total number of shares available for issue

  (i) The maximum number of Shares in respect of which options may be granted under the 2012 Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company) exceed 10% in nominal amount of the issued share capital of the Company on 23 August 2012, the date on which the 2012 Share Option Scheme was adopted (the "2012 Scheme Mandate Limit"). Option lapsed in accordance with the terms of the 2012 Share Option Scheme will not be counted for the purpose of calculating the 2012 Scheme Mandate Limit.

  (ii) The 2012 Scheme Mandate Limit may be renewed at any time subject to prior Shareholders' approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the 2012 Scheme Mandate Limit. Option previously granted under the 2012 Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed 2012 Scheme Mandate Limit.

  (iii) The maximum number of Shares in respect of which options may be granted to grantees under the 2012 Share Option Scheme and other share option schemes of the Company shall not exceed 30% in nominal amount of the issued share capital of the Company from time to time.

  (iv) As at 19 June 2025, no further options could be granted under the 2012 Share Option Scheme and the total number of shares which may be issued upon exercise of all options granted under the scheme was 300,000 Shares, which represented 0.01% of the total issued share capital of the Company on that date.

Share Options (continued)

Share Option Schemes (continued)

- **2012 Share Option Scheme (continued)**

(d) Maximum entitlement of each participant

The maximum number of Shares in respect of which options may be granted under the 2012 Share Option Scheme to a specifically identified single Participant shall not (when aggregated with any Shares subject to any other share option scheme(s) of the Company and including exercised, cancelled and outstanding options) in any 12-month period exceed 1% of the shares of the Company in issue.

The Company may grant options beyond the said individual limit to Participants if (i) the Company has first sent a circular to Shareholders containing the identity of the Participant in question, the number and terms of the options to be granted (and options previously granted to such Participant) and other relevant information as required under the Listing Rules; and (ii) separate Shareholders' approval has been obtained in general meeting with the proposed Participant and his associates abstaining from voting.

(e) Option period

The period within which the Shares must be taken up under an option shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option.

(f) Minimum period for which an option must be held before it can be exercised

The minimum period, if any, for which an option must be held before it can be exercised shall be determined by the Board at its absolute discretion. The 2012 Share Option Scheme itself does not specify any minimum holding period.

(g) Consideration on acceptance of the option

HK$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer as consideration.

(h) Basis of determining the subscription price

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the highest of:

(i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;

(ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; or

(iii) the nominal value of a share of the Company.

(i) Remaining life of the 2012 Share Option Scheme

The 2012 Share option Scheme expired on 23 August 2022.

Share Options (continued)

Share Option Schemes (continued)

- **2012 Share Option Scheme (continued)**

  Details of the share options granted under the 2012 Share Option Scheme and their movements during the Year are set out below:

				Number of share options				
Name	Date of grant	Subscription price per Share (HK$)	Exercise period	Outstanding as at 1 April 2024	Granted during the Year	Exercised during the Year	Lapsed during the Year	Outstanding as at 31 March 2025
Directors								
Ms KI Man Fung Leonie	13 April 2018	4.65	13 April 2020 to 12 April 2028	100,000	–	–	–	100,000
Mr TAN Wee Seng	13 April 2018	4.65	13 April 2020 to 12 April 2028	100,000	–	–	–	100,000
Ms LEE Yun Chun Marie-Christine	13 April 2018	4.65	13 April 2020 to 12 April 2028	100,000	–	–	–	100,000
				300,000	–	–	–	300,000

No share options were cancelled during the Year.

The vesting period of all the outstanding share options and share options granted is the period beginning on the date of grant and ending on the date immediately before commencement of the exercise period.

Share Options (continued)

Share Option Schemes (continued)

- **2022 Share Option Scheme**

  Following the expiration of the 2012 Share Option Scheme, the Company adopted a new share option scheme (the "2022 Share Option Scheme") on 31 August 2022. The number of options available for grant under the 2022 Share Option Scheme as at 1 April 2024 and 31 March 2025 was both 310,318,945. The number of options available for grant under the Service Provider Sublimit as at 1 April 2024 and 31 March 2025 was both 31,031,894 shares. No share options have been granted under the 2022 Share Option Scheme. A summary of the 2022 Share Option Scheme is set out below:

  (a) Purpose

  To reward and incentivise the Participants (as defined below) for their contribution or potential contribution to the Group and to align their interests with those of the Company and the Shareholders, and/or to recruit and retain high calibre Participants and attract human resources that are valuable to the Group.

  (b) Participants

  The Board shall, in accordance with and subject to the provisions of the 2022 Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within the period of ten years commencing on 31 August 2022, the date on which the 2022 Share Option Scheme was adopted ("Adoption Date"), to make an offer to any person belonging to the following classes of participants to subscribe, subject to such conditions as the Board may think fit, and no person other than the Participant named in such offer may subscribe, for such number of shares at such subscription price as the Board shall determine:

  (a) any employee (whether employed on a full-time or part-time basis, including any executive director but excluding any non-executive director) of the Company or its subsidiaries (including persons who are granted options as an inducement to enter into employment contracts with the Group) ("Eligible Employee");

  (b) any non-executive director (including independent non-executive director) of the Company or its subsidiaries;

  (c) any director and employee of any holding company, fellow subsidiary or associated company of the Company;

  (d) any shareholder of any member of the Group; and

  (e) any person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group as determined by the Remuneration Committee, including advisers, consultants, distributors, contractors, suppliers, agents, business partners, joint venture partners, promoters and service providers of any member of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or consultants providing professional services to the Group ("Service Provider").

  and, for the purposes of the 2022 Share Option Scheme, the offer may be made to a trust or similar arrangement for the benefit of a specified Participant subject to the fulfilment of requirements of the Listing Rules (including waiver from the Stock Exchange, where applicable).

Share Options (continued)

Share Option Schemes (continued)

- **2022 Share Option Scheme (continued)**

(c) Total number of shares available for issue

(i) The maximum number of Shares in respect of which options may be granted under the 2022 Share Option Scheme shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) that involve(s) the issuance of new Shares of the Company) exceed 10% of the total number of Shares in issue on the Adoption Date (the "Scheme Mandate Limit"), and in respect of Options that may be granted to Service Providers, a sublimit of 1% of the total number of Shares in issue on the Adoption Date (the "Service Provider Sublimit"). The number of Options available for grant under the Service Provider Sublimit as at 1 April 2024 and 31 March 2025 was both 31,031,894 shares. Option lapsed in accordance with the terms of the 2022 Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

(ii) Where applicable under the Listing Rules, the Company may seek approval by the Shareholders in general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit) after three years from the date of Shareholders' approval for the last refreshment (or the adoption of the 2022 Share Option Scheme), provided that:

(a) the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the 2022 Share Option Scheme and any other share option schemes and all awards to be granted under any share award schemes that involve the issuance of new Shares of the Group under the scheme mandate as refreshed shall not exceed 10% of the total number of the Shares in issue as at the date of approval of the refreshed scheme mandate;

(b) the Company has first sent a circular to the Shareholders containing the number of options that were already granted under the existing Scheme Mandate Limit and the Service Provider Sublimit, and the reason for such refreshment; and

(c) any additional refreshment within any three-year period must be approved by independent Shareholders in accordance with the relevant requirement of the Listing Rules.

(iii) Where applicable under the Listing Rules, the maximum number of Shares in respect of which options may be granted to grantees under the 2022 Share Option Scheme and other share option schemes of the Company shall not exceed 30% of the total number of the Shares in issue from time to time or such limit in accordance with the Listing Rules.

(iv) As at 19 June 2025, the total number of shares available for issue under the 2022 Share Option Scheme and the total number of shares which may be issued upon exercise of all options to be granted under the scheme was both 310,318,945 Shares, which represented 10% of the total issued share capital of the Company at that date.

(d) Maximum entitlement of each participant

The maximum number of Shares in respect of which options may be granted to a specifically identified single Participant under the 2022 Share Option Scheme in any 12-month period up to and including the date of such grant shall not (when aggregated with any Shares subject to any other share option scheme(s) and share award scheme(s) that involve(s) the issuance of new Shares of the Company excluding any Options lapsed in accordance with the terms of the New Share Option Scheme) exceed 1% of the Shares in issue (the "Individual Limit").

Where applicable under the Listing Rules, the Company may grant options beyond the Individual Limit to Participants if (i) the Company has first sent a circular to Shareholders containing the identity of the Participant in question, the number and terms of the options to be granted (and options previously granted to such Participant in the aforesaid 12-month period) the purpose of granting the options to the Participant and an explanation as to how the terms of the options serve such purpose; (ii) the number and terms of the options to be granted to the Participant has been fixed before Shareholders' approval; and (iii) separate Shareholders' approval has been obtained in general meeting with the proposed Participant and his close associates (or his associates if the Participant is a connected person) abstaining from voting.

Share Options (continued)

Share Option Schemes (continued)

- **2022 Share Option Scheme (continued)**

(e) Period within which the option may be exercised by the grantee

The period to be notified by the Board to each grantee as being the period during which an option may be exercised as the Board determines at its discretion, save that such period shall not be more than ten years from the date of grant of the relevant option.

(f) Vesting period of options granted

The minimum period for which an option must be held before it can be exercised, which shall not be less than 12 months (save where applicable under the Listing Rules when the Remuneration Committee has approved the Offer of Options to a specifically identified Participant who is an Eligible Employee or a non-executive director (including independent non-executive director) of the Company or its subsidiaries with a shorter vesting period, and has clearly explained the reason for so doing in the grant announcement published by the Company as required under the Listing Rules).

(g) Consideration on acceptance of the option

HK$1.00 is required to be paid by the grantee to the Company on acceptance of the option offer as consideration.

(h) Basis of determining the subscription price

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

(i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant;

(ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; or

(iii) the nominal value of a share of the Company.

(i) Remaining life of the 2022 Share Option Scheme

The period of ten years commencing on 31 August 2022.

Share Award Scheme

The share award scheme was adopted by the Board on 11 April 2014 (the "Share Award Scheme"). The awarded Shares are acquired by the independent trustee, at the costs of the Company, and held under a trust on and subject to, among others, the terms and conditions of the Share Award Scheme. Awarded Shares will be vested in the selected employees according to the terms of grant determined by the Board.

As at 31 March 2025, a total of 7,402,000 awarded Shares had been granted pursuant to the Share Award Scheme, out of which 145,000 awarded Shares remained unvested. During the Year, a total of 95,000 awarded Shares lapsed and remained part of the trust fund under the Share Award Scheme. A summary of the Share Award Scheme is set out below:

(a) Purpose

The purposes of the Share Award Scheme are: (a) to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (b) to attract suitable personnel for further development of the Group.

Share Award Scheme (continued)

(b) Participants

The Board may, from time to time, at its absolute discretion select any individual being an employee (including without limitation any executive director) of any member of the Group (other than any employee who is resident in a place where the award of the awarded shares and/or the vesting and transfer of the awarded shares pursuant to the terms of the Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such employee) for participation in the Scheme as a Selected Employee, and grant such number of awarded shares to any employee(s) selected by the Board pursuant to the scheme rules for participation in the Share Award Scheme at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

(c) Administration

The Share Award Scheme may be subject to the administration of the Board and the trustee in accordance with the scheme rules and the trust deed.

(d) Maximum limit

The maximum number of Shares which may be granted under the Share Award Scheme shall not exceed 5% of the total issued Shares from time to time. The maximum number of Shares which may be awarded to a selected employee under the Share Award Scheme within a period of 12 months shall not exceed 1% of the total issued Shares from time to time.

(e) Vesting period of awarded shares granted

A selected employee shall be entitled to receive the awarded Shares vested in him/her in accordance with the vesting schedule (if any) and subject to the selected employee having satisfied all vesting conditions (if any) specified by the Board at the time of making the award. Vesting of the Shares will be conditional on the selected employee remaining an employee of the Group as provided in the scheme rules on the relevant vesting dates.

(f) Consideration on acceptance of the awarded shares

No consideration.

(g) Basis of determining the purchase price of shares awarded

No such provision in the scheme.

The Board shall from time to time cause to be paid funds out of the Group's resources to the trustee sufficient for the acquisition of the awarded Shares. The trustee shall keep the Board informed from time to time of the number of Shares purchased and the price at which those Shares have been purchased. The Shares so purchased and any balance of the funds after completion of the purchase shall also form part of the trust fund.

(h) Remaining life of the Share Award Scheme

Subject to any early termination as may be determined by the Board pursuant to the scheme rules, the Share Award Scheme shall be valid and effective for a term of 15 years commencing from 11 April 2014, the date on which the Share Award Scheme was adopted.

Share Award Scheme (continued)

(i) Voting rights
The trustee shall not exercise the voting rights in respect of any Shares held by it under the trust.

Details of the awarded Shares granted under the Share Award Scheme and their movements during the Year are set out below:

						Number of awarded Shares				
Name	Date of award	Average fair value# per Share (HK$)	Closing price of the Shares immediately before the date on which the awarded shares were granted (HK$)	Vesting period*	Weighted average closing price of the Shares immediately before the date on which the awarded Shares were vested (HK$)	Outstanding as at 1 April 2024	Awarded during the Year	Vested during the Year	Lapsed during the Year	Outstanding as at 31 March 2025
Employees	8 February 2024	0.82	0.85	8 February 2024 to 6 August 2024	0.69	100,000	–	(100,000)	–	–
				8 February 2024 to 19 August 2025	0.71	50,000	–	(25,000)	–	25,000
				8 February 2024 to 19 September 2025	0.65	50,000	–	(25,000)	–	25,000
				8 February 2024 to 14 December 2025	–	50,000	–	–	(50,000)	–
				8 February 2024 to 21 February 2025	–	15,000	–	–	(15,000)	–
				8 February 2024 to 20 November 2025	0.67	30,000	–	(15,000)	–	15,000
	16 July 2024	0.78	0.79	16 July 2024 to 15 March 2026	–	–	30,000	–	(30,000)	–
	12 December 2024	0.71	0.71	12 December 2024 to 1 August 2027	–	–	50,000	–	–	50,000
				12 December 2024 to 2 July 2027	–	–	30,000	–	–	30,000
						295,000	110,000	(165,000)	(95,000)	145,000

The fair value of awarded Shares was determined with reference to market price of the Shares at the grant date.
* The period during which all the specified vesting conditions of the awarded Shares are to be satisfied.

No awarded shares were cancelled during the Year.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association and there are no restrictions against such rights under the laws in the Cayman Islands where the Company was incorporated.

Buy-back, Sale or Redemption of Shares

During the Year, there was no buy-back, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

Subsidiaries

Details of the Company's principal subsidiaries as at 31 March 2025 are set out in note 31 to the consolidated financial statements.

Capitalised Interest

No interest was capitalised by the Group during the Year (2024: Nil).

Distributable Reserves

As at 31 March 2025, the reserves of the Company available for distribution amounted to HK$1,667,707,000 (2024: HK$1,849,806,000).

Donations

The Group made donations during the Year totalling HK$2,518,600 (2024: HK$2,797,000).

Directors

The Directors who held office during the Year and as at the date of this report were:

Executive Directors

Dr KWOK Siu Ming Simon, *SBS, JP* (Chairman and CEO)
- date of appointment: 3 December 1996*
- date of last re-election in AGM as a Director: 22 August 2024

Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP* (Vice-chairman)
- date of appointment: 3 December 1996*
- date of last re-election in AGM as Director: 22 August 2024

Ms KWOK Sze Wai Melody, *MH, JP*
- date of appointment: 2 September 2019*
- date of last re-election in AGM as Director: 24 August 2023

Ms KWOK Sea Nga Kitty
- date of appointment: 31 August 2022*
- date of last re-election in AGM as a Director: 24 August 2023

Mr CHUNG Ming Kit (CFO and Company Secretary)
- date of appointment: 19 June 2025*
- will stand for re-election at the AGM to be held in August 2025

Independent Non-executive Directors

Ms KI Man Fung Leonie, *GBS, SBS, JP*
- date of appointment: 15 December 2006
- date of last re-election in AGM as a Director: 22 August 2024
- term of directorship: three years commencing on 15 December 2024*

Mr TAN Wee Seng
- date of appointment: 26 June 2012
- date of last re-election in AGM as Director: 24 August 2023
- term of directorship: three years commencing on 26 August 2022*

Mr CHAN Hiu Fung Nicholas, *BBS, MH, JP*
- date of appointment: 2 September 2019
- date of last re-election in AGM as Director: 24 August 2023
- term of directorship: three years commencing on 27 August 2023*

Ms LEE Yun Chun Marie-Christine#
- date of appointment: 2 September 2024
- date of last re-election in AGM as Director: 31 August 2022
- term of directorship: three years commencing on 22 August 2022*

Mr HO Danny Wing Fi has resigned as executive director, chief financial officer, member of the executive committee and member of the risk management committee of the Company with effect from 13 December 2024. Mr Ho accepted an opportunity to pursue his career with another organisation.

* Subject to the provisions on rotation and retirement in the articles of association of the Company.

\# Ms LEE Yun Chun Marie-Christine was redesignated as an independent non-executive director and appointed as a member of the audit committee of the Company on 2 September 2024.

Mr CHUNG Ming Kit was appointed as an executive director of the Company with effect from 19 June 2025. In accordance with Article 99 of the articles of association of the Company, he may hold office only until the first AGM after his appointment. He is eligible and will stand for re-election by the shareholders at the forthcoming AGM to be held on 21 August 2025. Pursuant to Article 116 of the articles of association of the Company, Ms KWOK Sze Wai Melody, Ms KWOK Sea Nga Kitty and Ms LEE Yun Chun Marie-Christine will retire by rotation at the forthcoming AGM and, all being eligible, each of them will offer herself/himself for reelection.

Confirmation of Independence from INEDs

The Company has received a written confirmation from each INED of his/her independence pursuant to Rule 3.13 of the Listing Rules which has been reviewed by the Nomination Committee. Both the Nomination Committee and the Board consider all INEDs to be independent throughout the Year and that they remain so as at the date of this Annual Report.

Directors' Service Contracts

None of the directors offering himself/herself for re-election at the forthcoming AGM has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

Contracts of Significance

No transaction, arrangement and contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any director of the Company or his/her connected entity is or was materially interested, either directly or indirectly, subsisted during or at the end of the Year.

Indemnification of Directors

The articles of association of the Company provide that directors shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a director in defending any proceedings, whether civil or criminal, in which judgement is given in his/her favour, or in which he/she is acquitted. All Directors have the benefit of directors' and officers' liability insurance. The Company has taken out and maintained director's and officers' liability insurance throughout the Year.

Biographical Details of Directors and Senior Management

The updated biographical information of the Directors and senior management is set out on pages 42 to 47 of this Annual Report.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code are set out below:

(I) Long Position in the Shares, Underlying Shares and Debentures of the Company

	Number of Shares in the Company					
Name of Director	Personal interests	Family interests	Corporate interests	Derivatives interests	Total interests	Approximate percentage of the Shares in issue[1]
Dr KWOK Siu Ming Simon	40,728,000	–	1,946,734,297[2]	–	1,987,462,297	64.0458%
Dr KWOK LAW Kwai Chun Eleanor	–	40,728,000	1,946,734,297[2]	–	1,987,462,297	64.0458%
Ms KWOK Sze Wai Melody	110,000	6,000	–	–	116,000	0.0037%
Ms KWOK Sea Nga Kitty	110,000	–	–	–	110,000	0.0035%
Ms KI Man Fung Leonie	–	–	–	100,000[3]	100,000	0.0032%
Mr TAN Wee Seng	–	–	–	100,000[3]	100,000	0.0032%
Ms LEE Yun Chun Marie-Christine	–	–	–	100,000[3]	100,000	0.0032%

Notes:

(1) Based on 3,103,189,458 Shares in issue as at 31 March 2025.

(2) These Shares are held as to 1,506,926,594 Shares by Sunrise Height Incorporated, as to 438,407,703 Shares by Green Ravine Limited and as to 1,400,000 Shares by Million Fidelity International Limited. All of these companies are owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor.

(3) Details of the derivatives interests in the shares of the Company of the independent non-executive directors and their movement during the Year are disclosed in the share options section on page 133 of this report.

(4) Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Mr CHUNG Ming Kit acquired an aggregate of 3,000,000 Shares from the open market during the period from 25 June 2025 to 26 June 2025. Among these, 2,000,000 Shares was acquired by Sunrise Height Incorporated which is jointly owned by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, while Mr Chung Ming Kit acquired 1,000,000 Shares.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

(II) Long Position in the Shares, Underlying Shares and Debentures of Associated Corporations

Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor are each taken to be interested in all the issued non-voting deferred shares (the "Deferred Shares") of Base Sun investment Limited ("Base Sun"), Matford Trading Limited ("Matford"), Sa Sa Cosmetic Company Limited and Sa Sa Investment (HK) Limited, all of which are wholly-owned subsidiaries of the Company.

Details of interests in the Deferred Shares as at 31 March 2025 are set out below:

	Dr KWOK Siu Ming Simon: Number of Deferred Shares in associated corporation					
Name of associated corporation	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Percentage of shareholding to all the Deferred Shares of associated corporation
Base Sun Investment Limited	–	–	2[1]	–	2	100%
Matford Trading Limited	3[2]	–	–	–	3	50%
Sa Sa Cosmetic Company Limited	1	–	–	–	1	50%
Sa Sa Investment (HK) Limited	1	–	–	–	1	50%

	Dr KWOK LAW Kwai Chun Eleanor: Number of Deferred Shares in associated corporation					
Name of associated corporation	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Percentage of shareholding to all the Deferred Shares of associated corporation
Base Sun Investment Limited	-	–	2[1]	–	2	100%
Matford Trading Limited	3[3]	–	–	–	3	50%
Sa Sa Cosmetic Company Limited	1	–	–	–	1	50%
Sa Sa Investment (HK) Limited	1	–	–	–	1	50%

Notes:

(1) Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor together hold two Deferred Shares in Base Sun through Win Win Group International Limited ("Win Win") and Modern Capital Investment Limited ("Modern Capital"). Win Win and Modern Capital are companies beneficially owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor and each of Win Win and Modern Capital holds one Deferred Share in Base Sun.

(2) Dr KWOK Siu Ming Simon holds three Deferred Shares in Matford through Mr YUNG Leung Wai Tony who acts as a nominee shareholder.

(3) Dr KWOK LAW Kwai Chun Eleanor holds three Deferred Shares in Matford through Ms KWOK Lai Yee Mabel who acts as a nominee shareholder.

Save as disclosed above, no director or chief executive of the Company has any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Benefits from Rights to Acquire Shares or Debentures

Save as disclosed under the share options section on page 133, at no time during the Year was the Company or its subsidiaries, a party to any arrangements which enabled the Directors (including their spouses or children under 18 years of age), to acquire benefits by means of acquisition of shares in or debenture of the Company or any other body corporate.

Interests and Short Positions in Shares and Underlying Shares of Substantial Shareholders

As at 31 March 2025, substantial shareholders, other than a director or chief executive of the Company, who had interests and short positions in the shares and underlying shares of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO are as follows:

Long Position of Substantial Shareholders in the Shares

Name of Substantial Shareholders	Capacity	No. of Shares held	Approximate percentage shareholding[1]
Sunrise Height Incorporated[2]	Beneficial owner	1,506,926,594	48.56%
Green Ravine Limited[2]	Beneficial owner	438,407,703	14.13%

Notes:

(1) Based on 3,103,189,458 Shares in issue as at 31 March 2025.

(2) Both Sunrise Height Incorporated and Green Ravine Limited are owned as to 50% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor.

Interests and Short Positions in Shares and Underlying Shares of Other Persons

As at 31 March 2025, the Company has not been notified of any persons (other than the directors or chief executives or substantial shareholders of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register to be kept under Section 336 of the SFO.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Related Party Transactions

The transactions with related parties disclosed in note 30 to the consolidated financial statements do not constitute discloseable connected transaction under the Listing Rules.

Connected Transactions

During the Year, there were no connected transactions or continuing connected transactions that were not fully exempted from shareholders' approval, annual review and all disclosure requirements under the Listing Rules.

Specific Performance Obligation on Controlling Shareholder

As disclosed in the Company's announcement dated 7 August 2020, Sa Sa Cosmetic Company Limited (an indirect wholly-owned subsidiary of the Company) as borrower obtained general banking facilities from a bank to finance the working capital requirements of the Group. Such banking facilities are provided by way of two revolving loan facilities up to an aggregate amount of HK$80,000,000 with no specific tenor, which may be modified, cancelled or suspended at any time without prior notice at the bank's sole discretion.

It is a condition of the banking facilities, among others, that Dr KWOK Siu Ming Simon and/or his family members shall maintain (whether directly or indirectly) not less than 51% shareholding of the Company, and Dr KWOK Siu Ming Simon shall remain as chairman of the Board.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the total issued share capital of the Company is held by the public as at the date of this report.

Auditor

The financial statements for the Year have been audited by PricewaterhouseCoopers who retired and, being eligible, offered itself for re-appointment. A resolution to re-appoint it and to authorise the Directors to fix its remuneration will be proposed for approval at the forthcoming AGM.

On behalf of the Board

KWOK Siu Ming Simon
Chairman and CEO
Hong Kong, 19 June 2025

INDEPENDENT AUDITOR'S REPORT

pwc

羅兵咸永道

To the Shareholders of Sa Sa International Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Sa Sa International Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 150 to 206, comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment of retail store assets
- Provision for inventory

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of retail store assets Refer to Notes 15 and 16 to the consolidated financial statements. The Group had approximately HK$200.6 million and HK$623.4 million of property, plant and equipment and right-of-use assets as at 31 March 2025 respectively, of which approximately HK$82.9 million and HK$549.7 million were attributable to its retail stores respectively. Management considers each retail store as a separate cash-generating unit ("CGU") and has carried out assessments of the macroeconomic environment, each retail store's financial performances, the Group's plan to use the retail store assets and the stage of operation of the retail store as of the reporting date to identify whether there are indicators for impairment. If impairment indicators exist, management conducted an impairment assessment by estimating the recoverable amounts of the relevant CGU using value-in-use ("VIU") calculation. We focused on this area because the identification of impairment indicators and estimation of recoverable amounts of the relevant retail stores are subject to significant management's judgements and estimations.	We evaluated and tested the impairment assessment of the property, plant and equipment and right-of-use assets of the retail stores by performing the following procedures: – understood management's controls and processes for assessment on impairment indicators of retail stores and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors; – tested management's assessment as to which relevant CGU has indicators of impairment by: • engaging in discussions with management regarding the methods used in the assessment of impairment indicators, including consideration of both external and internal sources of information; • testing the input data used by management, on a sample basis, in the assessment of impairment indicators; and • comparing historical budgets to actual results. – for those CGUs with impairment indicators, reviewed management's VIU analyses by: • enquired of management in relation to key assumptions in their business plan and evaluated the key assumptions applied, such as revenue growth rate, percentage change of running costs and gross profit margin, etc. by comparing them to historical information and our understanding of latest market information and conditions; • recomputed the recoverable amounts of CGUs and compared with their respective carrying amounts; and • evaluated the sensitivity analysis to ascertain the extent of change in the key assumptions either individually or collectively that would result in the retail store assets being impaired and also considered the likelihood of such a change in the key assumptions. Based on our work performed, we found the result of the impairment assessment of retail store assets made by management to be supported by available evidence.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for inventory Refer to Note 19 to the consolidated financial statements. The Group had net inventories of approximately HK$670.0 million as at 31 March 2025, which represented approximately 28.8% of the Group's total assets. The Group is engaged in the retailing and wholesaling of cosmetic products and is subject to changing market trends and competitors' actions. The Group estimates the provision for inventory based on the inventory turnover days and sales performance of individual stock-keeping units ("SKUs"). It makes specific provisions for near-expiry and slow-moving inventory by SKU, taking into consideration the economic outlook, the Group's business strategy, confirmed orders from wholesalers, and the marketability of inventories. We focused on this area because of the magnitude of the inventories and the estimation of the inventory provision involved a high level of management's judgement.	We evaluated and tested the provision for inventory by performing the following procedures: – obtained an understanding of the management's internal control and assessment process of the provision for inventory and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; – evaluated management's basis for the inventory provision and the outcome of management's estimations, analysis made by management and methodology applied to identify slow-moving and obsolete SKU; – compared the level of inventories written-off during the year with the provision made in prior years; – tested report of inventory provision and performed a recalculation, on a sample basis, of the inventory provision made on individual SKU; and – evaluated the net realisable value of the inventories on a sample basis, by comparing their actual selling prices subsequent to the year end to their carrying amounts at the year end. Based on the procedures performed, we consider management's judgement and estimates in the assessment of the provision for inventory, to be supported by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is So Sing Wai, Donald (practising certificate number: P07311).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 19 June 2025

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025

	Note	**2025 HK$'000**	2024 HK$'000
Turnover	5	**3,941,704**	4,367,496
Cost of sales	8	**(2,371,022)**	(2,584,141)
Gross profit		**1,570,682**	1,783,355
Other income	5	**24,312**	34,063
Selling and distribution costs	8	**(1,257,955)**	(1,300,359)
Administrative expenses	8	**(235,597)**	(227,822)
Other gains/(losses) – net	7	**4,890**	(4,103)
Operating profit		**106,332**	285,134
Finance income	11	**14,161**	9,012
Finance costs	11	**(28,579)**	(27,399)
Profit before income tax		**91,914**	266,747
Income tax expense	12	**(14,941)**	(47,864)
Profit for the year attributable to owners of the Company		**76,973**	218,883
Earnings per share for profit attributable to owners of the Company for the year (expressed in HK cents per share)			
Basic	13	**2.5**	7.1
Diluted	13	**2.5**	7.1

The notes and disclosures on pages 155 to 206 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Profit for the year		**76,973**	218,883
Other comprehensive income/(loss)			
Item that will not be reclassified subsequently to profit or loss			
Actuarial (losses)/gains on retirement benefit obligations	25(b)	**(850)**	709
Items that may be reclassified to profit or loss			
Cash flow hedges, net of tax		**58**	–
Currency translation differences of foreign subsidiaries recorded in translation reserve		**7,496**	(8,983)
Other comprehensive income/(loss) for the year, net of tax		**6,704**	(8,274)
Total comprehensive income for the year attributable to owners of the Company		**83,677**	210,609

The notes and disclosures on pages 155 to 206 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	15	**200,585**	203,357
Right-of-use assets	16(a)	**623,416**	642,237
Rental deposits and other assets	17	**91,683**	92,584
Deferred tax assets	18	**177,140**	181,600
		1,092,824	1,119,778
Current assets			
Inventories	19	**670,036**	705,303
Trade receivables	20	**64,746**	72,755
Other receivables, deposits and prepayments	21	**125,136**	145,659
Income tax recoverable		**2,287**	2,866
Time deposits	22	**70,000**	–
Cash and cash equivalents	22	**301,098**	457,757
		1,233,303	1,384,340
LIABILITIES			
Current liabilities			
Trade payables	23	**238,626**	306,648
Other payables and accruals	24	**197,019**	193,786
Lease liabilities	16(b)	**311,932**	298,136
Income tax payable		**20,450**	16,750
		768,027	815,320
Net current assets		**465,276**	569,020
Total assets less current liabilities		**1,558,100**	1,688,798
Non-current liabilities			
Other payables		**37,293**	29,896
Lease liabilities	16(b)	**346,912**	394,012
Retirement benefit obligations	25	**15,950**	12,561
Deferred tax liabilities	18	**202**	240
		400,357	436,709
Net assets		**1,157,743**	1,252,089
EQUITY			
Capital and reserves			
Share capital	26	**310,319**	310,319
Reserves	27	**847,424**	941,770
Total equity		**1,157,743**	1,252,089

The consolidated financial statements on pages 150 to 206 were approved by the Company's Board of Directors on 19 June 2025 and were signed on its behalf.

KWOK Siu Ming Simon
Chairman and CEO

KWOK LAW Kwai Chun Eleanor
Vice-chairman

The notes and disclosures on pages 155 to 206 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Note	Attributable to owners of the Company		
		Share capital HK$'000	**Reserves HK$'000**	**Total HK$'000**
Balance at 1 April 2024		**310,319**	**941,770**	**1,252,089**
Profit for the year		**–**	**76,973**	**76,973**
Other comprehensive income/(loss):				
Actuarial losses on retirement benefit obligations		**–**	**(850)**	**(850)**
Cash flow hedges, net of tax		**–**	**58**	**58**
Currency translation differences of foreign subsidiaries recorded in translation reserve		**–**	**7,496**	**7,496**
Total comprehensive income for the year		**–**	**83,677**	**83,677**
Share award scheme:				
Value of employee services	26(c) & 27	**–**	**133**	**133**
Unclaimed dividends forfeited	27	**–**	**277**	**277**
Dividends:				
2023/2024 final dividend		**–**	**(155,159)**	**(155,159)**
2024/2025 interim dividend		**–**	**(23,274)**	**(23,274)**
Total transactions with owners, recognised directly in equity		**–**	**(178,023)**	**(178,023)**
Balance at 31 March 2025		**310,319**	**847,424**	**1,157,743**

	Note	Attributable to owners of the Company		
		Share capital HK$'000	Reserves HK$'000	Total HK$'000
Balance at 1 April 2023		310,319	730,862	1,041,181
Profit for the year		–	218,883	218,883
Other comprehensive income/(loss):				
Actuarial gains on retirement benefit obligations		–	709	709
Currency translation differences of foreign subsidiaries recorded in translation reserve		–	(8,983)	(8,983)
Total comprehensive income for the year		–	210,609	210,609
Share award scheme:				
Value of employee services	26(c) & 27	–	115	115
Unclaimed dividends forfeited	27	–	184	184
Total transactions with owners, recognised directly in equity		–	299	299
Balance at 31 March 2024		310,319	941,770	1,252,089

The notes and disclosures on pages 155 to 206 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Note	2025 HK$'000	2024 HK$'000
Cash flows from operating activities			
Cash generated from operations	28(a)	**512,238**	581,483
Hong Kong profits tax paid		**(4,250)**	(2,330)
Overseas tax (paid)/refunded		**(1,611)**	6,026
Net cash generated from operating activities		**506,377**	585,179
Cash flows from investing activities			
Purchase of property, plant and equipment		**(59,317)**	(68,632)
Proceeds from disposal of property, plant and equipment	28(b)	**–**	220
Placement of time deposits with maturity over three months		**(70,000)**	–
Interest received		**11,547**	6,514
Net cash used in investing activities		**(117,770)**	(61,898)
Cash flows from financing activities			
Payment for lease liabilities (including interest)	16(b)	**(368,965)**	(331,590)
Loan interest payment		**–**	(1,153)
Unclaimed dividends forfeited		**277**	184
Dividends paid		**(178,433)**	–
Proceeds from borrowings	28(c)	**–**	32,000
Repayment of borrowings	28(c)	**–**	(62,000)
Net cash used in financing activities		**(547,121)**	(362,559)
Net (decrease)/increase in cash and cash equivalents		**(158,514)**	160,722
Cash and cash equivalents at beginning of year		**457,757**	303,256
Effect of foreign exchange rate changes		**1,855**	(6,221)
Cash and cash equivalents at end of year	22	**301,098**	457,757

The notes and disclosures on pages 155 to 206 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Sa Sa International Holdings Limited (the "Company") and its subsidiaries are collectively referred as (the "Group") in the consolidated financial statements.

The Group is principally engaged in the retailing and wholesaling of cosmetic products.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company has its listing on the Stock Exchange.

As at 31 March 2025, 48.56%, 14.13% and 0.05% of the total issued shares of the Company were owned by Sunrise Height Incorporated, Green Ravine Limited and Million Fidelity International Limited respectively. Sunrise Height Incorporated and Green Ravine Limited were incorporated in the British Virgin Islands and Million Fidelity International Limited was incorporated in Hong Kong. These companies are owned as to 50.0% each by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, as being the ultimate controlling parties of the Company.

These consolidated financial statements are presented in thousands of Hong Kong dollar (HK$'000), unless otherwise stated.

Apart from the material accounting policies presented within the corresponding notes to the consolidated financial statements, other potentially material accounting policies are set out Note 33. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 Basis of preparation

(i) Compliance with HKFRS Accounting Standards ("HKFRS") and the disclosure requirements of Hong Kong Companies Ordinance ("HKCO")

The consolidated financial statements have been prepared in accordance with HKFRS and the disclosure requirements of the HKCO Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments, which are carried at fair value.

HKFRS comprise the following authoritative literature:

- HKFRS Accounting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the Hong Kong Institute of Certified Public Accountants ("HKICPA")

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 – "Critical Accounting Estimates and Judgements".

2 Basis of preparation (continued)

(ii) Amendments to standards and revised interpretation for the first time for the financial year beginning 1 April 2024 were adopted

- Amendments to Hong Kong Accounting Standard ("HKAS") 1, "Classification of Liabilities as Current or Non-current";
- Amendments to HKFRS 1, "Non-current Liabilities with Covenants";
- Amendments to HKFRS 16, "Lease Liability in a Sale and Leaseback";
- Amendments to Hong Kong Interpretation 5 (Revised), "Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause"; and
- Amendments to HKAS 7 and HKFRS 7, "Supplier Finance Arrangements".

All amendments to standards and revised interpretation listed above do not have a material impact on the Group's accounting policies.

(iii) New standards, amendments to standards and interpretation have been issued but not yet adopted

The following new standards, amendments to standards and interpretation have been issued but are not effective for the financial year beginning on or after 1 April 2024 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 April 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 April 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
Amendments to Hong Kong Interpretation 5	Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause	1 April 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	A date to be determined by the International Accounting Standards Board

The Group will apply these new standards, amendments to standards and interpretation in the year of initial application. Given the current status of the Group, the directors do not expect the adoption of the new standards, and amendments to standards and interpretation will have a material impact on the Group's results of operations and financial position, except as described below.

2 Basis of preparation (continued)

(iii) New standards, amendments to standards and interpretation have been issued but not yet adopted (continued)

Impact on application of HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of financial performance of similar entities and provide more relevant information and transparency to users. These include:

(i) all income and expenses in the consolidated income statement are required to be classified into one of the five categories, namely operating, investing, financing, income taxes, and discontinued operations;

(ii) two newly-defined subtotals "operating profit" and "profit before financing and income taxes" are required to be presented in the consolidated income statement to increase comparability;

(iii) management-defined performance measures ("MPMs"), which are often non-HKFRS measures (e.g., EBITDA), are required to be disclosed in a single note in the consolidated financial statements;

(iv) enhanced guidance on the principles of aggregation and disaggregation of information is provided; and

(v) operating profit subtotal is required to be used as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method, and each of interest income, interest expense and dividend income should be classified under a single category.

The adoption of HKFRS 18 would not have any impact on the Group's profit attributable to shareholders. The Group is still in the process of assessing the impact of HKFRS 18 on the Group's consolidated financial statements, particularly with respect to the categorisation of income and expenses in the Group's consolidated income statement, the structure of the Group's consolidated income statement and consolidated statement of cash flows, and the additional disclosure required for MPMs.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks including foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management who identifies, evaluates and mitigates financial risks in close co-operation with the Group's operating subsidiaries. The Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Foreign exchange risk

The Group operates in various countries and is exposed to foreign exchange risk against Hong Kong dollar ("HK$") arising from foreign exchange exposure. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operation.

Most of the assets, receipts and payments of the Group are either in HK$, United States dollar ("US$"), Euro or Renminbi. The Group minimises its foreign exchange exposure against purchase orders denominated in foreign currencies by entering into forward contracts with reputable financial institutions or at spot and maintain no material long position. The hedging policies are regularly reviewed by the Group. There is no derivative financial instrument as at 31 March 2024.

As at 31 March 2025, if HK$ had weakened/strengthened by 5% against Renminbi with all other variables held constant, post-tax profit for the year would have been higher/lower by HK$564,000 (2024: HK$960,000), mainly as a result of foreign exchange gains/losses on translation of Renminbi denominated cash and bank balances, financial assets and financial liabilities.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(i) Foreign exchange risk (continued)

Certain assets of the Group are denominated in US$ but the foreign exchange risk is considered not significant as HK$ exchange rate is pegged to US$.

The remaining Group's assets and liabilities are primarily denominated in the respective group companies' functional currency, which would not expose the Group to material foreign exchange risk.

(ii) Credit risk

The Group's credit risk is primarily attributable to deposits with banks and financial institutions, deposits and trade and other receivables with a maximum exposure equal to the carrying amounts of these financial instruments.

Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

(a) Credit risk of deposits with banks and financial institutions

As at 31 March 2025 and 2024, all bank balances and bank deposits are held at reputable financial institutions which are leading and reputable with low credit risk and there is no significant concentration risk to a single counterparty and there is no history of defaults from these counterparties. The expected credit losses ("ECL") is close to zero and no provision was made as at 31 March 2025 and 2024.

(b) Credit risk of deposits and other receivables

Deposits and other receivables were mainly rental deposit and utilities and management fee deposits. The credit quality of deposits and other receivables has been assessed with reference to historical information about the default rates and financial position of the counterparties. Given there is no history of defaults from these counterparties, the directors of the Company are of the opinion that there was no significant increase in credit risk and the expected credit loss was limited to 12-month expected credit losses. Therefore, ECL rate of the deposits and other receivables is assessed to be close to zero and no provision was made as at 31 March 2025 and 2024.

(c) Credit risk of trade receivables

The Group performs periodic credit evaluations of its customers, taking into account their financial position, past experience and other factors. The utilisation of credit limits is regularly reviewed. Sales to retail customers are settled in cash or using major credit cards. No material credit limits were exceeded during the reporting period, and management does not expect any material losses from non-performance by these counterparties.

Trade receivables mainly represent receivables from electronic payment service providers, receivables from e-commerce platform providers, receivables from shopping malls and department stores in the Mainland, and wholesales, which are due within 90 days from the date of invoice. As at 31 March 2025, 85.7% (2024: 91.1%) of the total trade receivables were due within 90 days from the date of invoice. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 20.

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL provision for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and days past due. The ECL rates are based on the past repayment history and the historical credit loss experience. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The ECL allowance provided on a collective basis is insignificant as there was no history of material default from trade receivables.

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(ii) Credit risk (continued)

(c) Credit risk of trade receivables (continued)

For trade receivables relating to accounts in which objective evidence that the debtor faces significant financial difficulties or enter into liquidation, they are assessed individually for impairment allowance. Accordingly, provision of ECL allowance of HK$2,760,000 (2024: HK$2,856,000) were made as at 31 March 2025.

Movements on the Group's provision for ECL of trade receivables are disclosed in Note 20.

Provision for ECL allowance on trade receivables is presented as net provision within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and making available an adequate amount of committed credit facilities with staggered maturities to reduce refinancing risk in any year and to fund working capital, dividend payments, new investments and close out market positions if required.

As at 31 March 2025, the Group's financial liabilities included mainly trade payables and other payables amounting to HK$318,993,000 (2024: HK$398,173,000), which were substantially due within 3 months, and lease liabilities amounting to HK$333,110,000 (2024: HK$320,036,000) and HK$362,379,000 (2024: HK$410,702,000) which were due within 12 months and over 12 months respectively.

The undiscounted cash flows therefore approximate the carrying amounts as the impact of discounting is not significant.

(iv) Interest rate risk

The Group's interest rate risk resulted from timing differences in the repricing of interest-bearing assets or liabilities. Major interest-bearing assets of the Group are time deposits and short-term bank deposits, details of which have been disclosed in Note 22. As any reasonable changes in interest rate would not result in a significant change in the Group's results, no sensitivity analysis is presented for interest rate risk.

The Group monitors its interest rate risk through management of maturity profile and choice of fixed or floating interest rates.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

As at 31 March 2025, the Group maintained a cash position of HK$371,098,000 (2024: HK$457,757,000).

3 Financial risk management (continued)

3.3 Fair value estimation

The carrying values of trade receivables, deposits and other receivables, time deposits, cash and cash equivalents, trade payables, other payables and accruals and lease liabilities as at 31 March 2025 are a reasonable approximation to their fair values.

The table below analyses the Group's financial assets and liabilities carried at fair value as at 31 March 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	As at 31 March 2025			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Assets				
Derivatives used for hedging				
– Forward foreign exchange contracts	**–**	**112**	**–**	**112**
Total assets	**–**	**112**	**–**	**112**
Liabilities				
Derivatives used for hedging				
– Forward foreign exchange contracts	**–**	**7**	**–**	**7**
Total liabilities	**–**	**7**	**–**	**7**

Forward foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market.

There was no movement for the transfer between each level of financial assets and liabilities during the year ended 31 March 2025.

There was no changes in valuation techniques during the year ended 31 March 2025.

There was no movement for financial assets nor liabilities carried at fair value during the year ended 31 March 2024.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of non-financial assets

The Group conducts impairment reviews of non-financial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Group to estimate the value-in-use based on discounted future cash flows. Where the discounted future cash flows are less than the carrying amount of the corresponding non-financial assets, an impairment loss may arise. During the year, after reviewing the business environment as well as the Group's strategies and past performance of its cash-generating units, management concluded that there was impairment for property, plant and equipment HK$400,000 (2024: Nil) and no impairment of right-of-use assets (2024: Nil). Management believes that any reasonably possible changes in the assumptions used in the impairment reviews would not significantly affect management's view on impairment provision at current year end.

(ii) Provision for inventory

The Group estimates the provision for inventory based on the inventory turnover days and sales performance of inventories and makes specific provision for near-expiry and slow-moving inventories, taking into consideration the economic outlook, the Group's business strategy, confirmed orders from wholesalers, and the marketability of inventories. The Group also estimates the shrinkage provision with reference to the level of inventory loss in current year.

Provision for inventory is recorded where events or changes in circumstances indicate that the carrying amounts of inventories will not be fully realised. The quantification of inventory provision requires the use of estimates and judgement. Where the outcomes are different from the original estimates, such differences will impact the carrying value of inventories and provisions for inventory in the years in which such estimates have been changed.

(iii) Deferred tax assets in respect of tax losses and temporary differences

As at 31 March 2025, the Group did not recognise deferred tax assets of HK$103,686,000 (2024: HK$95,326,000) in respect of tax losses and temporary differences amounting to HK$438,910,000 (2024: HK$405,198,000) and HK$54,132,000 (2024: HK$50,305,000) respectively that could be carried forward against future taxable income as the realisation of the related tax benefits through future taxable profit is not probable. Estimating the amount of deferred tax asset arising from tax losses requires a process that involves determining appropriate provisions for income tax expense, forecasting future year's taxable income and assessing our ability to utilise tax benefits through future earnings. In cases where the actual future profits generated are different from original estimates than expected, such differences will impact the recognition of deferred tax assets and income tax charges in the year in which such circumstances are changed.

5 Revenue and other income

Material Accounting Policy

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the retail and wholesales of cosmetic products, stated net of value added taxes, returns, rebates and discounts.

Revenue is recognised when specific criteria have been met for the Group's activities described below:

Sale of goods – retail and e-commerce transactions
The Group sells cosmetic products through chain of retail stores and e-commerce platforms. Revenue from the sale of goods is recognised at a point in time when any subsidiary of the Group entity sells and has delivered a product to the customer and the Group receives sales and acceptance confirmations, and there is no unfulfilled obligation that affects the customer's acceptance of the products. Payment of the transaction price is due immediately when the customer purchases the goods. The Group estimates the sales return provision based on accumulated experience and considers that no provision is recognised as the amounts of returns are immaterial.

Sale of goods – wholesale
Sales are recognised at a point in time when control of the products has been transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that affects the wholesaler's acceptance of the products.

The goods are often sold with sales discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, if any. No element of financing is deemed present.

Slide display rental income and storage income
Slide display rental income and storage income are recognised on a straight-line basis in accordance with the terms of the relevant agreements.

Customer loyalty programme
The Group operates a customer loyalty programme, where certain customers accumulate points for purchases made which entitle them to purchase goods for free or at a discounted price. The customer loyalty programme gives rise to a separate performance obligation because it provides a material right to the customer and allocates a portion of the transaction price to the loyalty credits awarded to customers based on the relative stand-alone selling price. All awarded points issued from international online sales and Hong Kong, Macau and Mainland China offline sales in each year's fourth quarter will be carried forward to next fiscal year end.

During the year ended 31 March 2025, the Group reconsidered the new trend of using the online-merge-offline retail model and has changed the customer loyalty program policy. All awarded points issued from online and offline sales can now be utilised through both online and offline sales channels (2024: all awarded points issued from online and offline sales could only be utilised via their respective sales channels). There was no material award points outstanding as at the year end arising from the change of customer loyalty programme policy.

When either party to a contract has performed, the Group presents the contract in the consolidated statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers the promised goods to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer the promised goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

5 Revenue and other income (continued)

The Group is principally engaged in the retailing and wholesaling of cosmetic products. Turnover represents the sales of goods to customers. An analysis of revenue and other income recognised during the year is as follows:

	2025 HK$'000	2024 HK$'000
Turnover – recognised under HKFRS 15 at a point in time		
Retail, e-commerce and wholesale	**3,941,704**	4,367,496
Other income – recognised under other accounting standards		
Slide display rental income	**22,916**	22,418
Storage income	**1,396**	11,645
	24,312	34,063

(a) Revenue recognition in relation to contract liabilities

As at 31 March 2025, contract liabilities included receipts in advance and deferred revenue amounting to HK$9,544,000 (2024: HK$13,336,000) and HK$1,343,000 (2024: HK$1,989,000) respectively.

The following table shows the revenue recognised in the current reporting period relating to carried-forward receipts in advance and deferred revenue:

	2025 HK$'000	2024 HK$'000
Revenue recognised that was included in the receipts in advance and deferred revenue balance at the beginning of the year (Note 24)	**15,325**	14,426

There was no revenue recognised for the years ended 31 March 2025 and 2024 related to performance obligations that were satisfied in prior year.

(b) Unsatisfied long-term contracts

The Group selected to choose a practical expedient and omit disclosure of remaining performance obligations as all related contracts have a duration of one year or less.

6 Segment information

Material Accounting Policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the executive directors of the Group who make strategic and operating decisions.

Executive directors of the Group review the internal reporting of the Group in order to assess performance and allocate resources. Executive directors consider the business trend of using an online-merge-offline retail model and assess the performance of geographic segments based on the merged online and offline business results from each segment.

The business reportable segments identified are Hong Kong and Macau, Mainland China, Southeast Asia and Others.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, deferred tax assets, inventories, receivables, deposits and prepayments, time deposits, cash and cash equivalents and income tax recoverable. Capital expenditure comprises additions to property, plant and equipment.

The breakdown of key segment information including total turnover from external customers is disclosed below.

	For the year ended 31 March 2025				
	Hong Kong & Macau HK$'000	Mainland China HK$'000	Southeast Asia HK$'000	Others HK$'000	Total HK$'000
Turnover	**2,991,827**	**520,440**	**419,593**	**9,844**	**3,941,704**
Segment results	**128,568**	**(44,945)**	**(5,040)**	**(1,610)**	**76,973**
Other information					
Capital expenditure	**37,884**	**41**	**20,970**	**–**	**58,895**
Finance income	**12,951**	**135**	**1,075**	**–**	**14,161**
Finance costs	**22,396**	**216**	**5,967**	**–**	**28,579**
Income tax expense/(credit)	**12,004**	**(2)**	**2,943**	**(4)**	**14,941**
Depreciation of property, plant and equipment	**50,831**	**2,000**	**9,344**	**–**	**62,175**
Depreciation of right-of-use assets	**294,217**	**3,342**	**39,005**	**–**	**336,564**
(Reversal of provision)/provision of slow moving stocks & stock shrinkage	**(1,395)**	**1,395**	**(3,680)**	**–**	**(3,680)**

6 Segment information (continued)

	For the year ended 31 March 2024				
	Hong Kong & Macau HK$'000	Mainland China HK$'000	Southeast Asia HK$'000	Others HK$'000	Total HK$'000
Turnover	3,409,720	581,577	365,754	10,445	4,367,496
Segment results	233,845	(17,133)	4,956	(2,785)	218,883
Other information					
Capital expenditure	53,617	530	19,190	–	73,337
Finance income	7,500	363	1,149	–	9,012
Finance costs	23,182	657	3,560	–	27,399
Income tax expense	43,975	169	3,716	4	47,864
Depreciation of property, plant and equipment	55,069	3,556	5,209	–	63,834
Depreciation of right-of-use assets	277,963	6,821	28,031	–	312,815
Provision/(reversal of provision) for slow moving inventories and shrinkage	7,371	(5,124)	1,492	–	3,739

	Hong Kong & Macau HK$'000	**Mainland China HK$'000**	**Southeast Asia HK$'000**	**Others HK$'000**	**Total HK$'000**
At 31 March 2025					
Non-current assets	**916,425**	**1,652**	**174,747**	**–**	**1,092,824**
Current assets	**992,239**	**75,499**	**160,258**	**5,307**	**1,233,303**
Total assets as per consolidated statement of financial position					**2,326,127**
At 31 March 2024					
Non-current assets	981,962	11,119	126,697	–	1,119,778
Current assets	1,117,996	114,760	151,191	393	1,384,340
Total assets as per consolidated statement of financial position					2,504,118

7 Other gains/(losses) – net

	2025 HK$'000	2024 HK$'000
Net exchange gains/(losses) (Note (a))	**2,389**	(4,103)
Gains on derecognition of lease liabilities and right-of-use assets (Note (b))	**2,501**	–
	4,890	(4,103)

Notes:

(a) Net exchange gains/(losses) are accounted for in accordance with Note 33.6(ii).

(b) During the year ended 31 March 2025, the Group has a lease reassessment and closed a number of stores before the end of the leases. Accordingly, the corresponding remaining lease liabilities and right-of-use assets of these leases were derecognised, which resulted in gains of HK$2,501,000.

8 Expenses by nature

	2025 HK$'000	2024 HK$'000
Cost of inventories sold	**2,374,702**	2,580,402
Employee benefit expenses (including directors' emoluments) (Note 9 & (b))	**679,934**	689,633
Depreciation expenses		
– right-of-use assets (Note 16(a))	**336,564**	312,815
– property, plant and equipment (Note 15)	**62,175**	63,834
Building management fees, government rent and rates	**66,391**	65,280
Lease rentals in respect of land and buildings		
– lease rental for short-term leases	**37,162**	48,103
– contingent rent	**25,510**	38,335
– rent concession related to COVID-19 (Note (a))	**–**	(917)
Advertising and promotion expenses	**56,655**	67,985
Bank and credit card charges	**37,541**	37,864
Transportation and delivery charges	**30,892**	38,693
Utilities and telecommunication	**30,405**	31,893
Outsource warehouse handling expenses and platform charges	**26,990**	26,687
Repair and maintenance	**20,099**	22,736
Packaging expenses	**9,451**	13,826
Postage, printing and stationery	**5,300**	6,187
Write-off of prepayment (Note (b))	**3,132**	–
Compensation on early termination of lease (Note (b))	**3,010**	–
Auditors' remuneration		
– audit services	**2,305**	2,481
– non-audit services	**549**	573
Donations	**2,519**	2,797
Impairment of property, plant and equipment (Note 15 & (b))	**400**	–
Write-off of property, plant and equipment (Note 15)	**252**	59
(Reversal of provision)/provision for slow moving inventories and shrinkage (Note 19)	**(3,680)**	3,739
Others	**56,316**	59,317
	3,864,574	4,112,322
Representing:		
Cost of sales	**2,371,022**	2,584,141
Selling and distribution costs	**1,257,955**	1,300,359
Administrative expenses	**235,597**	227,822
	3,864,574	4,112,322

8 Expenses by nature (continued)

Notes:

(a) During the year ended 31 March 2024, rent concession related to COVID-19 amounted to HK$917,000 was included in selling and distribution costs.

(b) In February 2025, the Board approved the Group's plan to close the remaining 18 physical stores as of 31 March 2025 in Mainland China (the "store closures plan") by 30 June 2025, the Group had informed the relevant employees and landlords on the store closures plan prior to 31 March 2025. Accordingly, the Group had estimated and provided for the corresponding redundancy costs of HK$17,224,000 and compensation on early termination of lease of HK$3,010,000 as at and for the year ended 31 March 2025.

Additionally, the Group has also recognised other expenses in relation to the store closures plan, including the write-off of prepayment of expenses of HK$3,132,000, provision for inventory of HK$5,905,000, impairment of property, plant and equipment of HK$400,000 and other store closures costs of HK$378,000.

9 Employee benefit expenses (including directors' emoluments)

	Accounting Policies Note 33.7	
	2025	2024
	HK$'000	HK$'000
Salaries, bonuses, housing allowances, other allowances and benefits-in-kind	**629,980**	658,119
Retirement benefit costs (Note 25 (b))	**31,211**	30,059
Redundancy costs (Note 8 (b))	**17,224**	–
Directors' fees (Note 10(a))	**1,386**	1,340
Share-based payment (Note 26(c))	**133**	115
	679,934	689,633

10 Director and senior management emolument

(a) Directors' emoluments

Directors' emoluments comprise payments to the Company's directors (including three (2024: three) directors in the five highest paid individuals in the Group) in connection with management of affairs of the Company and the Group. The non-executive director receives an annual director's fee of HK$108,610 (2024: HK$257,400). Considering the comparatively heavier workload and responsibility of the Audit Committee, its Chairman and members will receive an additional annual remuneration amounted to HK$150,000 and HK$80,000 (2024: HK$150,000 and HK$80,000) respectively.

The aggregate amounts of emoluments payable to the directors of the Company during the year were as follows:

	2025	2024
	HK$'000	HK$'000
Directors' fees	**1,386**	1,340
Salaries, housing allowances, other allowances and benefits-in-kind	**10,553**	10,623
Discretionary bonuses	**670**	1,251
Retirement benefit costs	**282**	325
Share-based payment	**–**	54
	12,891	13,593

10 Director and senior management emoluments (continued)

(a) Directors' emoluments (continued)

The directors' emoluments of the Company were as follows:

	Directors' fees HK$'000	Salaries, housing allowances, other allowances and benefits-in-kind HK$'000	Discretionary bonuses HK$'000	Retirement benefit costs HK$'000	Share-based payment (i) HK$'000	Total HK$'000
For the year ended 31 March 2025						
Executive Directors						
Dr KWOK Siu Ming Simon (ii)	–	3,000	250	–	–	3,250
Dr KWOK LAW Kwai Chun Eleanor	–	2,760	230	–	–	2,990
Mr HO Danny Wing Fi (iii)	–	2,343	–	122	–	2,465
Ms KWOK Sze Wai Melody	–	1,225	95	80	–	1,400
Ms KWOK Sze Nga Kitty	–	1,225	95	80	–	1,400
Non-executive Director						
Ms LEE Yun Chun Marie-Christine (iv)	109	–	–	–	–	109
Independent Non-executive Directors						
Ms KI Man Fung Leonie	338	–	–	–	–	338
Mr TAN Wee Seng	407	–	–	–	–	407
Mr CHAN Hiu Fung Nicholas	337	–	–	–	–	337
Ms LEE Yun Chun Marie-Christine (iv)	195	–	–	–	–	195
	1,386	10,553	670	282	–	12,891

10 Director and senior management emoluments (continued)

(a) Directors' emoluments (continued)

The directors' emoluments of the Company were as follows:

	Directors' fees HK$'000	Salaries, housing allowances, other allowances and benefits-in-kind HK$'000	Discretionary bonuses HK$'000	Retirement benefit costs HK$'000	Share-based payment (i) HK$'000	Total HK$'000
For the year ended 31 March 2024						
Executive Directors						
Dr KWOK Siu Ming Simon (ii)	–	3,000	369	–	–	3,369
Dr KWOK LAW Kwai Chun Eleanor	–	2,760	338	–	–	3,098
Mr HO Danny Wing Fi (iii)	–	2,496	278	175	54	3,003
Ms KWOK Sze Wai Melody	–	1,207	133	75	–	1,415
Ms KWOK Sze Nga Kitty	–	1,160	133	75	–	1,368
Non-executive Director						
Ms LEE Yun Chun Marie-Christine (iv)	257	–	–	–	–	257
Independent Non-executive Directors						
Ms KI Man Fung Leonie	338	–	–	–	–	338
Mr TAN Wee Seng	407	–	–	–	–	407
Mr CHAN Hiu Fung Nicholas	338	–	–	–	–	338
	1,340	10,623	1,251	325	54	13,593

Notes:

(i) Share-based payment represents amortisation to the income statement of the fair value of awarded shares and share options measured at the respective grant dates, regardless of whether the share options would be exercised or not.

(ii) Dr KWOK Siu Ming Simon is the Chairman and CEO of the Company.

(iii) Mr HO Danny Wing Fi resigned from his positions as executive director of the Company with effect from 13 December 2024.

(iv) Ms LEE Yun Chun Marie-Christine redesignated from her positions as non-executive director to an independent non-executive director of the Company with effect from 2 September 2024.

No compensation for loss of office has been paid to the directors for the years ended 31 March 2025 and 2024.

No director of the Company waived any emoluments during the years ended 31 March 2025 and 2024.

10 Director and senior management emoluments (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2024: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2024: two) individuals during the year were as follows:

	2025 HK$'000	2024 HK$'000
Salaries, housing allowances, other allowances and benefits-in-kind	**3,546**	3,498
Discretionary bonuses	**296**	434
Retirement benefit costs	**131**	132
	3,973	4,064

The emoluments of the individuals fell within the following bands:

	Number of individuals	
Emoluments bands	**2025**	2024
HK$1,500,001 – HK$2,000,000	**1**	1
HK$2,000,001 – HK$2,500,000	**1**	1
	2	2

(c) Senior management emoluments (excluding directors' emoluments)

The details of the senior management emoluments (excluding directors' emoluments) payable during the year were as follows:

	2025 HK$'000	2024 HK$'000
Salaries, housing allowances, other allowances and benefits-in-kind	**3,546**	3,498
Discretionary bonuses	**296**	434
Retirement benefit costs	**131**	132
	3,973	4,064

The emoluments of the individuals fell within the following bands:

	Number of individuals	
Emoluments bands	**2025**	2024
HK$1,500,001 – HK$2,000,000	**1**	1
HK$2,000,001 – HK$2,500,000	**1**	1
	2	2

11 Finance income and costs

Material Accounting Policy

Interest income on financial assets at amortised cost is calculated using the effective interest method. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

The material accounting policy of interest expenses on lease liabilities is disclosed in Note 16.

	2025 HK$'000	2024 HK$'000
Finance income from:		
Interest income on bank deposits	**11,620**	7,244
Others	**2,541**	1,768
	14,161	9,012
Finance costs from:		
Interest expenses on lease liabilities	**28,579**	26,275
Interest expenses on bank borrowings	**–**	1,124
	28,579	27,399

12 Income tax expense

Material Accounting Policy

The tax expense for the year comprise current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

12 Income tax expense (continued)

Hong Kong profits tax has been provided for at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2025 HK$'000	2024 HK$'000
Current tax:		
Hong Kong profits tax		
Current	**3,199**	3,733
Over-provision in previous years	**(35)**	(66)
Overseas taxation		
Current	**7,196**	6,476
Under-provision in previous years	**–**	4
Total current tax	**10,360**	10,147
Deferred tax (Note 18):		
Decrease in net deferred tax assets	**4,581**	37,717
Income tax expense	**14,941**	47,864

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the profits tax rate of Hong Kong as follows:

	2025 HK$'000	2024 HK$'000
Profit before income tax	**91,914**	266,747
Tax calculated at a taxation rate of 16.5% (2024: 16.5%)	**15,166**	44,013
Effect of different taxation rates in other countries (Note)	**(2,372)**	(3,893)
Expenses not deductible for income tax purposes	**1,603**	2,711
Income not subject to income tax	**(3,085)**	(4,142)
Unrecognised tax losses	**3,664**	9,237
Over-provision in previous years	**(35)**	(62)
Income tax expense	**14,941**	47,864

Note:
The Group is subject to different tax jurisdictions mainly in Macau, Singapore, Malaysia and Mainland China with tax rate ranges from 12% to 25% (2024: 12% to 25%).

13 Earnings per share

Material Accounting Policy

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing cost associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(a) Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue less the total number of shares held under the Share Award Scheme during the year.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**76,973**	218,883
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	**3,102,198**	3,102,076

(b) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and awarded shares under the Share Award Scheme during the year. For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. For shares held under the Share Award Scheme, awarded shares granted to the employees but not yet vested as at 31 March 2025 and 2024 have been included in the number of shares.

	2025	2024
Profit attributable to owners of the Company (HK$'000)	**76,973**	218,883
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	**3,102,198**	3,102,076
Adjustment for share options and awarded shares (thousands)	**192**	53
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**3,102,390**	3,102,129

14 Dividends

Material Accounting Policy

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

	2025 HK$'000	2024 HK$'000
Interim, paid – 0.75 HK cents (2024: Nil) per share	**23,274**	–
Final, proposed – 1.7 HK cents (2024: 5.0 HK cents) per share	**52,754**	155,159
	76,028	155,159

At a meeting held on 19 June 2025, the directors proposed a final dividend of 1.7 HK cents per share. This proposed dividend has not been reflected as dividend payables in these consolidated financial statements, but will be reflected as an appropriation of distributable reserve for the year ending 31 March 2026 if approved by the shareholders.

15 Property, plant and equipment

Material Accounting Policy

Land and buildings mainly comprise offices. Property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land	Over remaining lease term
Buildings	20-36 years
Leasehold improvements	Over shorter of lease term or 6 years
Equipment, furniture and fixtures	3-5 years
Motor vehicles and vessel	4-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

15 Property, plant and equipment (continued)

Material Accounting Policy (continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Please refer to **Note 33.3** for policies on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the income statement.

Please refer to **Critical Accounting Estimates and Judgements Note 4(i)** for estimates and judgements on impairment for property, plant and equipment.

	Land and buildings HK$'000	Leasehold improvements HK$'000	Equipment, Furniture and fixtures HK$'000	Motor vehicles and vessel HK$'000	Total HK$'000
At 31 March 2023					
Cost	190,790	501,938	238,454	26,684	957,866
Accumulated depreciation and impairment	(88,642)	(440,161)	(213,810)	(20,291)	(762,904)
Net book amount	102,148	61,777	24,644	6,393	194,962
Year ended 31 March 2024					
Opening net book amount	102,148	61,777	24,644	6,393	194,962
Additions	–	59,215	12,707	1,415	73,337
Write-off	–	(18)	(41)	–	(59)
Disposals	–	–	(33)	–	(33)
Depreciation	(5,630)	(40,938)	(15,324)	(1,942)	(63,834)
Exchange differences	–	(730)	(286)	–	(1,016)
Closing net book amount	96,518	79,306	21,667	5,866	203,357
At 31 March 2024					
Cost	190,790	478,047	216,253	25,336	910,426
Accumulated depreciation and impairment	(94,272)	(398,741)	(194,586)	(19,470)	(707,069)
Net book amount	96,518	79,306	21,667	5,866	203,357
Year ended 31 March 2025					
Opening net book amount	**96,518**	**79,306**	**21,667**	**5,866**	**203,357**
Additions	**–**	**41,745**	**17,141**	**9**	**58,895**
Write-off	**–**	**(37)**	**(3)**	**(212)**	**(252)**
Depreciation	**(5,629)**	**(39,980)**	**(14,637)**	**(1,929)**	**(62,175)**
Impairment	**–**	**(267)**	**(133)**	**–**	**(400)**
Exchange differences	**–**	**966**	**194**	**–**	**1,160**
Closing net book amount	**90,889**	**81,733**	**24,229**	**3,734**	**200,585**
At 31 March 2025					
Cost	**190,790**	**491,493**	**199,710**	**24,323**	**906,316**
Accumulated depreciation and impairment	**(99,901)**	**(409,760)**	**(175,481)**	**(20,589)**	**(705,731)**
Net book amount	**90,889**	**81,733**	**24,229**	**3,734**	**200,585**

15 Property, plant and equipment (continued)

(a) Depreciation expense of HK$48,048,000 (2024: HK$50,535,000) was included in selling and distribution costs, and HK$14,127,000 (2024: HK$13,299,000) was included in administrative expenses.

(b) Write-off of property, plant and equipment of HK$252,000 (2024: HK$59,000) was included in selling and distribution costs.

(c) As at 31 March 2025, land and buildings with carrying value amounted to HK$89,483,000 (2024: HK$94,424,000) were pledged for banking facilities made available to the Group.

As at 31 March 2025, net book amount of retail store assets represented property, plant and equipment and right-of-use assets amounting to HK$82,887,000 (2024: HK$75,360,000) and HK$549,661,000 (2024: HK$537,022,000) respectively. The Group regards each individual retail store as a separately identifiable cash-generating unit. Management carried out an impairment assessment for the retail store assets, including property, plant and equipment and right-of-use assets, which have an impairment indicator.

The carrying amount of the retail store assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimates of the recoverable amounts were based on value-in-use calculations using discounted cash flow projections based on the financial forecasts approved by management covering the remaining tenure of the lease, with major assumptions such as revenue growth rate, percentage change of running costs and gross profit margin. As a result of the impairment assessment, an impairment loss for property, plant and equipment HK$296,000 (2024: Nil) and HK$104,000 (2024: Nil) were recognised in selling and distribution cost and administrative expense respectively, and no impairment loss of right-of-use assets (Note 16(a)) was recognised during the year ended 31 March 2025 and 2024, due to the store closure plan outlined in Note 8(b).

16 Leases

Material Accounting Policy

The Group as lessee

The Group leases various retail stores, warehouses and offices. Rental contracts are typically made for fixed periods from 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the lease liabilities and finance costs. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- restoration costs; and
- any initial direct costs.

16 Leases (continued)

Material Accounting Policy (continued)

The Group as lessee (continued)

Payments associated with short-term leases are recognised on a straight-line basis as an expense in consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its leased properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

16 Leases (continued)

(a) Right-of-use assets

	Store properties HK$'000	Warehouses and offices properties HK$'000	Total HK$'000
At 1 April 2023	375,281	144,398	519,679
Inception of lease contracts	444,191	1,229	445,420
Adjustment for lease	(4,405)	(1,206)	(5,611)
Depreciation	(274,019)	(38,796)	(312,815)
Exchange difference	(4,026)	(410)	(4,436)
At 31 March and 1 April 2024	**537,022**	**105,215**	**642,237**
Inception of lease contracts	**317,205**	**6,846**	**324,051**
Adjustment for lease	**(10,376)**	**(2)**	**(10,378)**
Depreciation	**(298,205)**	**(38,359)**	**(336,564)**
Exchange difference	**4,015**	**55**	**4,070**
At 31 March 2025	**549,661**	**73,755**	**623,416**

The Group obtains right to control the use of various retail stores, warehouses and offices for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease terms ranging from 1 to 6 years (2024: 1 to 10 years).

During the year ended 31 March 2025, depreciation of right-of-use assets of HK$333,499,000 (2024: HK$308,727,000) was included in selling and distribution costs, and HK$3,065,000 (2024: HK$4,088,000) was included in administrative expenses.

Some of the property leases which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable lease terms are used to link lease payments to store cash flows and reduce fixed cost. The variable lease payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next few years, variable lease payments are expected to continue to present a similar proportion of store sales in future years.

16 Leases (continued)

(b) Lease liabilities

	2025 HK$'000	2024 HK$'000
At 1 April	**692,148**	565,603
Inception of lease contracts	**317,106**	439,109
Adjustment for lease	**(14,378)**	(1,407)
Interest expenses on lease liabilities (Note)	**28,579**	26,275
Payment for lease liabilities (including interest)	**(368,965)**	(331,590)
Exchange difference	**4,354**	(5,842)
At 31 March	**658,844**	692,148

Note:
During the year ended 31 March 2025, interest expenses on lease liabilities of HK$28,579,000 (2024: HK$26,275,000) were included in finance costs.

Maturity analysis of lease liabilities is as follows:

	2025 HK$'000	2024 HK$'000
Lease liabilities payable:		
Not later than 1 year	**311,932**	298,136
Later than 1 year but not later than 5 years	**344,757**	387,547
Over 5 years	**2,155**	6,465
	658,844	692,148
Less: portion classified as current liabilities	**(311,932)**	(298,136)
Non-current liabilities	**346,912**	394,012

(c) Short-term leases and not yet commenced leases

As at 31 March 2025, the total future lease payments for short-term leases and not yet commenced leases amounted to HK$9,798,000 (2024: HK$10,843,000) and HK$18,321,00 (2024: HK$58,651,000) respectively.

17 Rental deposits and other assets

	Accounting Policies Note 33.4 2025 HK$'000	2024 HK$'000
Rental and other deposits	**86,131**	87,032
Others	**5,552**	5,552
	91,683	92,584

Rental deposits are carried at amortised cost using the effective interest rate of 0.44% to 3.22% per annum (2024: 0.44% to 3.20% per annum). The carrying amounts of rental deposits approximate their fair values.

18 Deferred tax

Material Accounting Policy

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences and losses can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Please refer to **Critical Accounting Estimates and Judgements Note 4(iii)** for estimates and judgements on deferred tax assets in respect of tax losses and temporary differences.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net amounts are as follows:

	2025 HK$'000	2024 HK$'000
Deferred tax assets	**177,140**	181,600
Deferred tax liabilities	**(202)**	(240)
Deferred tax assets – net	**176,938**	181,360

The movement in net deferred tax assets is as follows:

	2025 HK$'000	2024 HK$'000
At 1 April	**181,360**	219,413
Deferred tax charged to the consolidated income statement (Note 12)	**(4,581)**	(37,717)
Exchange differences	**159**	(336)
At 31 March	**176,938**	181,360

18 Deferred tax (continued)

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2025 HK$'000	2024 HK$'000
Deferred tax assets		
– to be recovered within 12 months	**11,600**	39,627
– to be recovered after more than 12 months	**165,540**	141,973
	177,140	181,600
Deferred tax liabilities		
– to be recovered after more than 12 months	**202**	240

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred tax assets

	Decelerated tax depreciation		**Leases**		**Provisions**		**Tax losses**		**Total**	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
At 1 April	**4,695**	6,246	**2,002**	2,974	**1,436**	1,972	**173,467**	208,500	**181,600**	219,692
(Charged)/credited to the consolidated income statement	**178**	(1,521)	**(202)**	(946)	**5,343**	(403)	**(9,938)**	(34,886)	**(4,619)**	(37,756)
Exchange differences	**(35)**	(30)	**35**	(26)	**118**	(133)	**41**	(147)	**159**	(336)
At 31 March	**4,838**	4,695	**1,835**	2,002	**6,897**	1,436	**163,570**	173,467	**177,140**	181,600

Deferred tax liabilities

	Accelerated tax depreciation	
	2025 HK$'000	2024 HK$'000
At 1 April	**240**	279
Credited to the consolidated income statement	**(38)**	(39)
At 31 March	**202**	240

Deferred tax assets are recognised for tax losses carry forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of HK$103,686,000 (2024: HK$95,326,000) in respect of tax losses amounting to HK$438,910,000 (2024: HK$405,198,000) and temporary differences amounting to HK$54,132,000 (2024: HK$50,305,000) that can be carried forward against future taxable income. Tax losses amounting to HK$252,478,000 (2024: HK$227,748,000) will expire within 1 to 5 years from 31 March 2025. The remaining tax losses and capital allowances have no expiry date.

19 Inventories

Material Accounting Policy

Inventories comprise merchandise and are stated at the lower of cost and net realisable value.

Cost represents the invoiced cost of inventories plus the applicable freight and duties. Costs are assigned to individual items on the weighted-average basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Please refer to **Critical Accounting Estimates and Judgements Note 4(ii)** for estimates and judgements on provision for inventory.

	2025 HK$'000	2024 HK$'000
Merchandise for resale	**670,036**	705,303

The cost of inventories recognised in cost of sales amounted to HK$2,374,702,000 (2024: HK$2,580,402,000).

During the year, the Group has made reversal of provision of HK$3,680,000 (2024: made provision of HK$3,739,000) for slow moving inventories and shrinkage.

20 Trade receivables

Material Accounting Policy

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Please refer to **Note 33.4(iv)** for policies on impairment of financial assets.

20 Trade receivables (continued)

	2025 HK$'000	2024 HK$'000
Trade receivables	**67,506**	75,611
Less: provision for expected credit losses	**(2,760)**	(2,856)
Trade receivables – net	**64,746**	72,755

The carrying amounts of trade receivables approximate their fair values.

The Group's turnover comprises mainly cash sales and credit card sales. Certain wholesale customers are granted credit terms ranging from 7 to 120 days. The ageing analysis of trade receivables by invoice date is as follows:

	2025 HK$'000	2024 HK$'000
Within 1 month	**51,657**	62,097
1 to 3 months	**3,817**	4,171
Over 3 months	**9,272**	6,487
	64,746	72,755

Movement in the Group's provision for ECL on trade receivables is as follows:

	2025 HK$'000	2024 HK$'000
At 1 April	**2,856**	3,106
Reversal of impairment recognised in previous years	**(99)**	(231)
Exchange differences	**3**	(19)
At 31 March	**2,760**	2,856

The Group applies HKFRS 9 simplified approach to measure ECL, which uses a lifetime expected loss allowance for all trade receivables. For details, please refer to **Note 3.1(ii) in "Financial Risk Management"**.

Trade receivables are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**31,569**	35,904
Renminbi	**19,386**	31,556
US$	**5,307**	388
Malaysian Ringgit	**4,370**	2,260
Singapore dollar	**2,838**	1,907
Philippines dollar	**791**	595
Others	**485**	145
	64,746	72,755

21 Other receivables, deposits and prepayments

Material Accounting Policy

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses.

If collection of other receivables is expected to be in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Please refer to **Note 33.4(iv)** for policies on impairment of financial assets.

	2025 HK$'000	2024 HK$'000
Rental and utilities deposits	**43,918**	43,385
Other receivables and payment in advance	**46,018**	63,159
Prepayments	**18,409**	22,168
Other deposits	**16,791**	16,947
	125,136	145,659

The carrying amounts of other receivables and deposits approximate their fair values. The other receivables are due and receivable within one year from the end of the reporting period.

22 Time deposits, and cash and cash equivalents

Material Accounting Policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Time deposits do not meet the definition of a cash equivalent when it has a maturity of three months or more from the date of acquisition.

	2025 HK$'000	2024 HK$'000
Time deposits		
Time deposits with maturity over three months	**70,000**	–
Cash and cash equivalents		
Short-term bank deposits	**121,653**	330,860
Cash at bank and on hand	**179,445**	126,897
Cash and cash equivalents as stated in consolidated cash flow statement	**301,098**	457,757
Total	**371,098**	457,757

22 Time deposits, and cash and cash equivalents (continued)

Time deposits, and cash and bank balances are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**257,928**	321,757
Malaysian Ringgit	**34,607**	34,070
US$	**22,935**	38,948
Renminbi	**20,565**	25,615
Macau Pataca	**15,481**	11,875
Euro	**10,010**	10,165
Swiss Franc	**5,388**	4,766
Singapore dollar	**2,874**	9,604
Japanese Yen	**1,294**	940
Others	**16**	17
	371,098	457,757

As at 31 March 2025, the year-end effective interest rate on the time deposits over three months was 3.73% per annum. These deposits have an average maturity of 3 months. There were no such time deposits as of 31 March 2024.

The year-end effective interest rate on short-term bank deposits was 3.78% per annum (2024: 4.42% per annum). These deposits have an average maturity of 1.7 months (2024: 1.5 months).

As at 31 March 2025, total cash and bank balances denominated in Renminbi and Malaysian Ringgit of approximately HK$52,829,000 (2024: HK$57,382,000) were kept in Mainland China and Malaysia. The remittance of these funds out of Mainland China and Malaysia is subject to applicable foreign exchange restrictions imposed by the respective local governments.

23 Trade payables

Material Accounting Policy

Trade payables are obligations to pay for goods that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The ageing analysis of trade payables by invoice date is as follows:

	2025 HK$'000	2024 HK$'000
Within 1 month	**152,544**	224,192
1 to 3 months	**72,117**	64,748
Over 3 months	**13,965**	17,708
	238,626	306,648

The carrying amounts of trade payables approximate their fair values.

23 Trade payables (continued)

Trade payables are denominated in the following currencies:

	2025 HK$'000	2024 HK$'000
HK$	**153,555**	200,188
US$	**32,193**	41,951
Malaysian Ringgit	**20,090**	14,225
Renminbi	**11,476**	28,170
Euro	**7,731**	9,380
South Korean Won	**4,163**	4,802
Japanese Yen	**4,158**	1,115
Swiss Franc	**3,207**	6,312
Singapore dollar	**1,771**	264
Macau Pataca	**250**	166
Others	**32**	75
	238,626	306,648

24 Other payables and accruals

Material Accounting Policy

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions are recognised when the Group has a present legal and constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligations using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

24 Other payables and accruals (continued)

	2025 HK$'000	2024 HK$'000
Accrued staff costs	**79,120**	69,752
Valued-added tax and other tax payables	**14,790**	16,120
Accrued capital expenditure	**14,560**	14,981
Accrued reinstatement costs	**14,244**	13,894
Contract liabilities (Note 5(a))	**10,887**	15,325
Accrued advertising and promotion expenses	**10,544**	11,837
Accrued repair & maintenance	**5,742**	3,265
Accrued transportation expenses	**4,297**	4,250
Accrued utilities and telecommunication	**2,915**	4,139
Accrued rental related expenses	**2,138**	5,720
Other payables and accruals	**37,782**	34,503
	197,019	193,786

25 Retirement benefit obligations

(a) Retirement benefit obligations

	2025 HK$'000	2024 HK$'000
Retirement benefit obligations liability on:		
– long service payments (Note (b)(ii))	**15,950**	12,561

(b) Retirement benefit costs

	2025 HK$'000	2024 HK$'000
Retirement benefit costs charged to consolidated income statement:		
Retirement benefit costs (Note 9)		
– defined contribution plans (Note (i))	**29,197**	29,099
– long service payments (Note (ii))	**2,014**	960
	31,211	30,059
Retirement benefit costs debited/(credited) to other comprehensive income:		
– long service payments (Note (ii))	**850**	(709)

25 Retirement benefit obligations (continued)

(b) Retirement benefit costs (continued)

Notes:

(i) The subsidiaries of the Group in Hong Kong elected to contribute to the Mandatory Provident Fund Scheme ("MPF Scheme"). The MPF Scheme is a defined contribution retirement benefit plan administered by independent trustees. Under the MPF Scheme, both the employer and employees are required to contribute 5% of the employee's monthly salaries (capped at HK$30,000). Contributions from the employer equivalent to the contribution as specified at the rules of the MPF Scheme are 100% vested as soon as they are paid to the relevant MPF Scheme but all benefits derived from the mandatory contributions must be preserved until the employee reaches the age of 65, subject to a few exceptions. As to the employer's contribution in excess of the portion vested in the MPF Scheme, the employees are entitled to 100% of it after 10 years of completed service or at a reduced scale after completion of 3 to 9 years' service. Any forfeited employer's excess contributions are refundable to the Group.

The employees of the Group in Mainland China are members of state-managed retirement benefit schemes operated by the respective local government in Mainland China. The Group is required to contribute a specified percentage of payroll costs to the scheme to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

Subsidiaries of the Group in Singapore and Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. The contributions are charged to profit or loss in the period to which they relate. The Company has no further payment obligations once the contributions have been paid.

(ii) The Group's provision for long service payments are determined based on the actuarial valuation as at 31 March 2025 prepared by International Valuation Limited (2024: Roma Appraisals Limited), a qualified actuary, using the projected unit credit method.

The movements of long service payments during the year are as follows:

	Present value of obligations	
	2025	2024
	HK$'000	HK$'000
At 1 April	**12,561**	12,660
Current service cost	**1,463**	424
Interest cost	**551**	536
Retirement benefit costs charged to consolidated income statement	**2,014**	960
Remeasurements:		
Actuarial gain – experience	**(147)**	(703)
Actuarial loss/(gain) – financial assumptions	**1,711**	(6)
Actuarial gain – demographic assumptions	**(714)**	–
Retirement benefit costs charged/(credited) to other comprehensive income	**850**	(709)
Benefits paid/(refunded) directly by the employer	**525**	(350)
At 31 March	**15,950**	12,561

26 Share capital

Material Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Please refer to **Note 33.8** for details on Share Options and Share Award Scheme.

	No. of shares	HK$'000
Authorised shares of HK$0.1 each		
At 1 April 2023, 31 March 2024 and 2025	8,000,000,000	800,000
Issued and fully paid shares of HK$0.1 each		
At 1 April 2023, 31 March 2024 and 2025	3,103,189,458	310,319

(a) Share options

The 2012 Share Option Scheme was adopted on 23 August 2012 and expired on 23 August 2022.

Under the 2012 Share Option Scheme, share options may be granted to any directors (including executive, non-executive and independent non-executive directors) and employees of the Group, and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any members of the Group who the Board or a duly authorised committee thereof considers, in its sole discretion, to have contributed to the Group.

The option period shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option. The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the highest of: (i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company. The Group has no obligation to repurchase or settle the options in cash.

The outstanding share options of the Company were granted under the 2012 Share Option Scheme to the directors of the Company and certain key management personnel, which are to be vested after the selected employee completed a period of services in the Group from one to three years from the grant date or achieved certain performance targets set by the Board. All outstanding share options have been vested.

The 2012 Share Option Scheme expired on 23 August 2022. Following the expiration of the 2012 Share Option Scheme, the Company adopted a new share option scheme (the "2022 Share Option Scheme") on 31 August 2022.

Under the 2022 Share Option Scheme, the Board shall, in accordance with and subject to the provisions of the 2022 Share Option Scheme and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), be entitled but shall not be bound at any time within the period of ten years commencing on 31 August 2022, the date on which the 2022 Share Option Scheme was adopted, to make an offer to any person belonging to the following classes of grantee (the "Participant") to subscribe, subject to such conditions as the Board may think fit, and no person other than the Participant named in such offer may subscribe, for such number of shares at such subscription price as the Board shall determine:

26 Share capital (continued)

(a) Share options (continued)

(a) any employee (whether employed on a full-time or part-time basis, including any executive director but excluding any non-executive director) of the Company or its subsidiaries (including persons who are granted options as an inducement to enter into employment contracts with the Group);

(b) any non-executive director (including independent non-executive director) of the Group;

(c) any director and employee of any holding company, fellow subsidiary or associated company of the Company;

(d) any shareholder of any member of the Group; and

(e) any person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group as determined by the Remuneration Committee, including advisers, consultants, distributors, contractors, suppliers, agents, business partners, joint venture partners, promoters and service providers of any member of the Group, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, or consultants providing professional services to the Group,

and, for the purposes of the 2022 Share Option Scheme, the offer may be made to a trust or similar arrangement for the benefit of a specified Participant subject to the fulfilment of requirements of the Listing Rules (including waiver from the Stock Exchange, where applicable).

The option period shall be notified by the Board to each grantee at the time of making an offer which shall not expire later than 10 years from the date of grant of the relevant option. The subscription price shall be determined by the Board at its absolute discretion but in any event shall not be less than the higher of: (i) the closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company. The Group has no obligation to repurchase or settle the options in cash.

During the year ended 31 March 2025, no share option was granted under the 2012 Share Option Scheme and 2022 Share Option Scheme (2024: Nil).

Movements in the number of share options outstanding are as follows:

	No. of share options year ended 31 March	
	2025	2024
At 1 April	**300,000**	3,209,000
Lapsed	**–**	(2,909,000)
At 31 March	**300,000**	300,000

26 Share capital (continued)

(a) Share options (continued)

The expiry dates and subscription prices of the share options outstanding as at 31 March 2025 and 2024 are set out as follows:

Expiry dates	Subscription price per Share (HK$)	No. of share options outstanding as at 31 March 2025	2024
2012 Share Option Scheme			
12 April 2028	4.65	**300,000**	300,000
Weighted average remaining contractual life of options outstanding at end of the year		**3.03 years**	4.03 years

(b) Share award

Pursuant to a resolution of the Board dated 11 April 2014, the Board approved the adoption of the Share Award Scheme under which shares of the Company may be awarded to selected employees for no cash consideration in accordance with its absolute discretion. The Share Award Scheme operates for 15 years starting from 11 April 2014. The maximum number of shares which may be awarded to any selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company. The awarded shares are to be vested after the selected employee completed a period of services in the Group from 3 months to 3 years from the grant date unless in special circumstances.

A trust has been set up and fully funded by the Company for the purpose of purchasing, administrating and holding the Company's shares for the Share Award Scheme. The total number of shares to be awarded under the Share Award Scheme is limited to 5% of the issued share capital of the Company.

During the year ended 31 March 2025 and 31 March 2024, no share was acquired by the Company.

Movements in the number of awarded shares:

	Number of awarded shares year ended 31 March 2025	2024
At 1 April	**295,000**	200,000
Awarded (Note)	**110,000**	310,000
Vested	**(165,000)**	(215,000)
Lapsed	**(95,000)**	–
At 31 March	**145,000**	295,000

Note: The fair value of awarded shares was determined with reference to market price of the Company's shares at the grant date. Average fair value per share was HK$0.73 (2024: HK$0.82).

26 Share capital (continued)

(b) Share award (continued)

Details of the awarded shares outstanding as at 31 March 2025 were set out as follows:

			Number of awarded shares				
Date of award	Average fair value per share (HK$)	Vesting period*	Outstanding as at 1 April 2024	Awarded during the year	Vested during the year	Lapsed during the year	Outstanding as at 31 March 2025
8 February 2024	0.82	8 February 2024 to 6 August 2024	100,000	–	(100,000)	–	–
		8 February 2024 to 19 August 2025	50,000	–	(25,000)	–	25,000
		8 February 2024 to 19 September 2025	50,000	–	(25,000)	–	25,000
		8 February 2024 to 14 December 2025	50,000	–	–	(50,000)	–
		8 February 2024 to 21 February 2025	15,000	–	–	(15,000)	–
		8 February 2024 to 20 November 2025	30,000	–	(15,000)	–	15,000
16 July 2024	0.78	16 July 2024 to 15 March 2026	–	30,000	–	(30,000)	–
12 December 2024	0.71	12 December 2024 to 1 August 2027	–	50,000	–	–	50,000
		12 December 2024 to 2 July 2027	–	30,000	–	–	30,000
			295,000	**110,000**	**(165,000)**	**(95,000)**	**145,000**

* The period during which all the specific vesting conditions of the awarded shares are to be satisfied.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2025 HK$'000	2024 HK$'000
Expenses recognised by share award scheme	**133**	115

27 Reserves

	Share premium HK$'000	Shares held under the Share Award Scheme HK$'000	Capital redemption reserve HK$'000	Employee share-based compensation reserve HK$'000	Translation reserve HK$'000	Hedging Reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2024	**1,412,707**	**(2,848)**	**11,783**	**4,207**	**(62,784)**	**–**	**(421,295)**	**941,770**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**76,973**	**76,973**
Other comprehensive income/(loss):								
Actuarial gains on retirement benefit obligations	**–**	**–**	**–**	**–**	**–**	**–**	**(850)**	**(850)**
Cash flow hedges, net of tax	**–**	**–**	**–**	**–**	**–**	**58**	**–**	**58**
Currency translation differences of foreign subsidiaries recorded in translation reserve	**–**	**–**	**–**	**–**	**7,496**	**–**	**–**	**7,496**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**7,496**	**58**	**76,123**	**83,677**
Share award scheme:								
Value of employee services	**–**	**–**	**–**	**133**	**–**	**–**	**–**	**133**
Vesting of shares under share award scheme	**–**	**696**	**–**	**(82)**	**–**	**–**	**(614)**	**–**
Unclaimed dividends forfeited	**–**	**–**	**–**	**–**	**–**	**–**	**277**	**277**
Dividends:								
2023/2024 final dividend	**–**	**–**	**–**	**–**	**–**	**–**	**(155,159)**	**(155,159)**
2024/2025 interim dividend	**–**	**–**	**–**	**–**	**–**	**–**	**(23,274)**	**(23,274)**
Total transactions with owners, recognised directly in equity	**–**	**696**	**–**	**51**	**–**	**–**	**(178,770)**	**(178,023)**
At 31 March 2025	**1,412,707**	**(2,152)**	**11,783**	**4,258**	**(55,288)**	**58**	**(523,942)**	**847,424**

	Share premium HK$'000	Shares held under the Share Award Scheme HK$'000	Capital redemption reserve HK$'000	Employee share-based compensation reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2023	1,412,707	(3,756)	11,783	11,053	(53,801)	(647,124)	730,862
Profit for the year	–	–	–	–	–	218,883	218,883
Other comprehensive income/(loss):							
Actuarial gains on retirement benefit obligations	–	–	–	–	–	709	709
Currency translation differences of foreign subsidiaries recorded in translation reserve	–	–	–	–	(8,983)	–	(8,983)
Total comprehensive income for the year	–	–	–	–	(8,983)	219,592	210,609
Share award scheme:							
Value of employee services	–	–	–	115	–	–	115
Vesting of shares under share award scheme	–	908	–	(633)	–	(275)	–
Employee share option scheme:							
Lapse of share options	–	–	–	(6,328)	–	6,328	–
Unclaimed dividends forfeited	–	–	–	–	–	184	184
Total transactions with owners, recognised directly in equity	–	908	–	(6,846)	–	6,237	299
At 31 March 2024	1,412,707	(2,848)	11,783	4,207	(62,784)	(421,295)	941,770

28 Cash flow information

(a) Cash generated from operations

	2025 HK$'000	2024 HK$'000
Profit for the year	**76,973**	218,883
Adjustments for:		
– Income tax expense	**14,941**	47,864
– Depreciation of property, plant and equipment	**62,175**	63,834
– Depreciation of right-of-use assets	**336,564**	312,815
– Write-off of property, plant and equipment	**252**	59
– Write-off of prepayment	**3,132**	–
– Impairment of property, plant and equipment	**400**	–
– Gains on disposal of property, plant and equipment (Note 28(b))	**–**	(187)
– (Reversal of provision)/provision for slow moving inventories and shrinkage	**(3,680)**	3,739
– Share-based payment	**133**	115
– Gain on derecognition of lease liabilities and right-of-use assets	**(2,501)**	–
– Finance costs	**28,579**	27,399
– Finance income	**(14,161)**	(9,012)
	502,807	665,509
Changes in working capital:		
– Inventories	**42,541**	(41,047)
– Trade receivables	**8,009**	(7,048)
– Other receivables, deposits and prepayments	**19,407**	(4,729)
– Trade payables	**(68,022)**	(23,070)
– Other payables, accruals and retirement benefit obligations	**7,496**	(8,132)
Cash generated from operations	**512,238**	581,483

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2025 HK$'000	2024 HK$'000
Net book amount (Note 15)	**–**	33
Gains on disposal of property, plant and equipment	**–**	187
Proceeds from disposal of property, plant and equipment	**–**	220

(c) The liabilities arising from financing activities represented borrowings and lease liabilities. For details of movement in lease liabilities, see Note 16(b). There are no other movements between the opening and closing balance of borrowings other than proceeds from and repayment of borrowings as disclosed in the consolidated statement of cash flows.

29 Commitments

Capital commitments in respect of acquisition of property, plant and equipment

	2025 HK$'000	2024 HK$'000
Contracted but not provided for	**7,773**	11,862

30 Significant related party transactions

Material Accounting Policy

Related parties are individuals and companies, including subsidiaries, fellow subsidiaries, jointly controlled entities, associated companies and key management personnel, where the individual or company has the ability, directly or indirectly, control or jointly control the other party or exercise significant influence over the other party in making financial and operating decisions. A close family member of any such individual is considered to be a related party.

(a) Transactions with related parties

	2025 HK$'000	2024 HK$'000
Sale of goods to entities owned by the immediate family member of an executive director	**1,455**	1,572
Purchase of goods from entities owned by the immediate family member of an executive director	**739**	2,065
Rental paid to an entity wholly owned by executive directors	**–**	900

The related party transactions were conducted in accordance with terms mutually agreed with related parties and in the ordinary course of business.

(b) Key management compensation

Key management, including executive directors, senior management and other key management personnel, represents individual who has authority and responsibility for planning, directing and controlling the activities of the Group.

Key management compensation is disclosed as follows:

	2025 HK$'000	2024 HK$'000
Salaries, bonuses, housing allowances, other allowances and benefits-in-kind	**38,284**	36,267
Retirement benefit costs	**1,214**	1,125
Share-based payment	**133**	115
	39,631	37,507

30 Significant related party transactions (continued)

(c) Interest of directors

None of the directors received any termination benefits during the year ended 31 March 2025 (2024: Nil). During the year ended 31 March 2025, the Group did not pay consideration to any third parties for making available directors' services (2024: Nil). As at 31 March 2025, there were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2024: Nil). During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Group's business to which the Group was or is a party (2024: Nil).

31 Principal subsidiaries

Particulars of the principal subsidiaries at 31 March 2025 and 2024:

Name	Place of incorporation/ establishment and kind of legal entity (Country/Region)	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Direct/indirect interest held
Base Sun Investment Limited	Hong Kong, limited liability company	Property holding	Ordinary HK$100 Deferred HK$2	100%
Cosmic Rosy Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$1	100%
Cyber Colors Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
Docile Company Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$2	100%
Dragon Gold Investments Limited	Hong Kong, limited liability company	Trading of cosmetic and skin care products	Ordinary HK$2	100%
Dragonstar International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$1	100%
Eleanor International Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
Ever Bloom Development Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK$1	100%
Fielding Group Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$2	100%
Forever Best International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$1	100%
Hadatuko Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
Highmove Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$1	100%

31 Principal subsidiaries (continued)

Name	Place of incorporation/ establishment and kind of legal entity (Country/Region)	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Direct/indirect interest held
Hong Kong Sa Sa (M) Sdn. Bhd.	Malaysia, limited liability company	Trading and retailing of cosmetic products	Ordinary RM20,000,000	100%
Luxelink Sdn. Bhd.	Malaysia, limited liability company	Trading and retailing of cosmetic products	Ordinary RM1	100%
Matford Trading Limited	Hong Kong, limited liability company	Property holding	Ordinary HK$100 Deferred HK$6	100%
Methode Swiss Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
Netcom Holdings Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$50,000	100%
New Image International Holdings Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$6	100%
Nouveau International Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$1	100%
Rosy Sino Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
Sa Sa Boutique Limited	Hong Kong, limited liability company	Investment holding	Ordinary HK$2	100%
Sa Sa Company Limited	Hong Kong, limited liability company	Logistic services	Ordinary HK$2,000	100%
Sa Sa Cosmetic Company Limited	Hong Kong, limited liability company	Retailing and wholesaling of cosmetic products	Ordinary HK$100 Deferred HK$2	100%
Sa Sa Cosmetic Co. (S) Pte. Ltd.	Singapore, limited liability company	Trading and retailing of cosmetic products	Ordinary S$19,500,000	100%
Sa Sa dot Com Limited	Hong Kong, limited liability company	Online business	Ordinary HK$1,000,000	100%
Sa Sa Development Limited	Hong Kong, limited liability company	Property holding	Ordinary HK$100	100%
Sa Sa Health Food Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$50,000	100%
Sa Sa Investment (HK) Limited	Hong Kong, limited liability company	Property holding	Ordinary HK$100 Deferred HK$2	100%

31 Principal subsidiaries (continued)

Name	Place of incorporation/ establishment and kind of legal entity (Country/Region)	Principal activities and place of operation (if different from place of incorporation)	Particulars of issued share capital/paid up share capital	Direct/indirect interest held
Sa Sa Investment Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$1	100%
Sa Sa Making Life Beautiful Charity Fund Limited	Hong Kong, limited liability company	Charitable activities	Limited by guarantee	100%
Sa Sa Nominees Limited	Hong Kong, limited liability company	Provision of services to group companies	Ordinary HK$2	100%
Sa Sa Overseas Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$2	100%
Sa Sa Property Limited	Hong Kong, limited liability company	Property holding	Ordinary HK$100	100%
Sasatinnie Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
SkinPeptoxyl Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
Soo Beauté Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
S.P. Laboratories S.A.	Switzerland, limited liability company	Holding of intellectual property rights	CHF555,000	100%
Swiss Rituel Limited	British Virgin Islands, limited liability company	Holding of intellectual property rights	Ordinary US$1	100%
Suisse Programme Limited	Gibraltar, limited liability company	Holding of intellectual property rights	Ordinary £100	100%
Whitfield Enterprises Limited	British Virgin Islands, limited liability company	Investment holding	Ordinary US$2	100%
明貴貿易（上海）有限公司 (Note 1)	People's Republic of China, limited liability company	Wholesale of cosmetic products	HK$10,000,000	100%
莎莎化妝品（中國）有限公司 (Note 2)	People's Republic of China, limited liability company	Trading and retailing of cosmetic products	HK$278,000,000	100%
莎莎電子商務（廣州）有限公司 (Note 3)	People's Republic of China, limited liability company	Provision of online business related services to group companies	RMB1,000,000	100%

31 Principal subsidiaries (continued)

Notes:

1) 明貴貿易（上海）有限公司is a wholly foreign-owned enterprise established in the People's Republic of China.

2) 莎莎化妝品（中國）有限公司 is a wholly foreign-owned enterprise established in the People's Republic of China.

3) 莎莎電子商務（廣州）有限公司 is a wholly foreign-owned enterprise established in the People's Republic of China.

4) Hong Kong means Hong Kong, People's Republic of China.

32 Statement of financial position and reserve movement of the Company

Statement of financial position of the Company

	2025 HK$'000	2024 HK$'000
ASSETS		
Non-current assets		
Investments in and amounts due from subsidiaries	**1,965,358**	2,171,808
Other assets	**750**	750
	1,966,108	2,172,558
Current assets		
Other receivables, deposits and prepayments	**997**	676
Time deposits	**15,000**	–
Cash and cash equivalents	**10,066**	441
	26,063	1,117
LIABILITIES		
Current liabilities		
Other payables and accruals	**256**	408
Net current assets	**25,807**	709
Total assets less current liabilities	**1,991,915**	2,173,267
EQUITY		
Capital and reserves		
Share capital	**310,319**	310,319
Reserves	**1,681,596**	1,862,948
Total equity	**1,991,915**	2,173,267

The statement of financial position of the Company was approved by the Board on 19 June 2025 and was signed on its behalf.

KWOK Siu Ming Simon
Chairman and CEO

KWOK LAW Kwai Chun Eleanor
Vice-chairman

32 Statement of financial position and reserve movement of the Company (continued)

Reserve movement of the Company

	Share premium HK$'000	Shares held under the Share Award Scheme HK$'000	Capital redemption reserve HK$'000	Employee share-based compensation reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2024	**1,412,707**	**(2,848)**	**11,783**	**4,207**	**437,099**	**1,862,948**
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(3,329)**	**(3,329)**
Share award scheme:						
Value of employee services	**–**	**–**	**–**	**133**	**–**	**133**
Vesting of shares under share award scheme	**–**	**696**	**–**	**(82)**	**(614)**	**–**
Employee share option scheme:						
Unclaimed dividends forfeited	**–**	**–**	**–**	**–**	**277**	**277**
Dividends:						
2023/2024 final dividend	**–**	**–**	**–**	**–**	**(155,159)**	**(155,159)**
2024/2025 interim dividend	**–**	**–**	**–**	**–**	**(23,274)**	**(23,274)**
Total transactions with owners, recognised directly in equity	**–**	**696**	**–**	**51**	**(178,770)**	**(178,023)**
At 31 March 2025	**1,412,707**	**(2,152)**	**11,783**	**4,258**	**255,000**	**1,681,596**

	Share premium HK$'000	Shares held under the Share Award Scheme HK$'000	Capital redemption reserve HK$'000	Employee share-based compensation reserve HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 April 2023	1,412,707	(3,756)	11,783	11,053	433,547	1,865,334
Loss and total comprehensive loss for the year	–	–	–	–	(2,685)	(2,685)
Share award scheme:						
Value of employee services	–	–	–	115	–	115
Vesting of shares under share award scheme	–	908	–	(633)	(275)	–
Employee share option scheme:						
Lapse of share options	–	–	–	(6,328)	6,328	–
Unclaimed dividends forfeited	–	–	–	–	184	184
Total transactions with owners, recognised directly in equity	–	908	–	(6,846)	6,237	299
At 31 March 2024	1,412,707	(2,848)	11,783	4,207	437,099	1,862,948

33 Summary of other potentially material accounting policies

33.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

33.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the financial statements of the Company exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

33.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

33.4 Financial assets

(i) Classification

The Group classifies its financial assets to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

33 Summary of other potentially material accounting policies (continued)

33.4 Financial assets (continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in consolidated income statement.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in consolidated income statement and presented in "other gains/(losses) – net" together with foreign exchange gains and losses.

(iv) Impairment

The Group assesses on a forward looking basis the ECL associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires ECL to be recognised from initial recognition of the receivables. See Note 20 for further details.

33.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company and the counterparty.

33.6 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in HK$, which is the Company's functional currency and the Group's and the Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the consolidated income statement within "other gains/(losses) – net".

33 Summary of other potentially material accounting policies (continued)

33.6 Foreign currency translation (continued)

(iii) Group companies

The results and financial positions of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

(iv) Disposal of foreign operation

On the disposal of a foreign operation (this is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of joint control over a joint venture that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

33.7 Employee benefits

(i) Short-term obligation

Liabilities for salaries that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(iii) Retirement benefit obligations

The Group operates various post-employment scheme, including defined contribution plan and long service payments (see Note 33.7(iv)).

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

33 Summary of other potentially material accounting policies (continued)

33.7 Employee benefits (continued)

(iv) Long service payments

The Group's net obligation in respect of amounts payable on cessation of employment in certain circumstances under the employment law of the respective countries in which the Group operates is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Long service payments are assessed using the projected unit credit method. The cost of providing the long service payment liabilities is charged to the consolidated income statement so as to spread the cost over the service lives of employees in accordance with the advice of the actuaries.

Long service payments are discounted to determine the present value of obligation and reduced by entitlement accrued under the Group's defined contribution plans that are attributable to contributions made by the Group. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in consolidated income statement.

(v) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liability for bonus plan is expected to be settled within 12 months and is measured at the amount expected to be paid when it is settled.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange of these benefits. The Group recognises termination benefits at the earlier or the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity has a formal detailed restructuring plan and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it that is within the scope of HKAS 37 and involves the payment of termination benefits.

33.8 Share-based payment

(i) Equity-settled share-based payment transactions

The Group operates two equity-settled share-based schemes, Share Option Scheme and Share Award Scheme, under which the entity receives services from employees as consideration for equity instruments (options or awarded shares) of the Group. The fair value of the employee services received in exchange for the grant of the options or awarded shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted or shares awarded:

- including any market performance conditions (for example, an entity's share price); and
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

33 Summary of other potentially material accounting policies (continued)

33.8 Share-based payment (continued)

(i) Equity-settled share-based payment transactions (continued)

Non-market performance and service conditions are included in assumptions about the number of options or awarded shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options or awarded shares that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

Upon vesting and transfer of the awarded shares to the awardees, the related costs of the awarded shares are credited to shares held under the Share Award Scheme, and the related fair value of the shares are debited to employee share-based compensation reserve.

(ii) Share-based payment transactions among group entities

The grant by the Company of options or share awards over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

(iii) Shares held for share award scheme

When the Company's shares are acquired from the market by the trust set up by the Company under the Share Award Scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as "Shares held under the Share Award Scheme" and deducted from total equity. Upon vesting, the related costs of the vested shares for Share Award Scheme purchased from the market are credited to "Shares held under the Share Award Scheme", with a corresponding decrease in "Employee share-based compensation reserve" for Share Award Scheme.

GLOSSARY

AGM(s)	Annual general meetings of the Company
Board	Board of directors of the Company
CEO	Chief Executive Officer of the Company
CFO	Chief Financial Officer of the Company
CG Code	Corporate Governance Code, Appendix C1 of the Listing Rules
Code Provision(s)	Code Provisions in the CG Code
Company, Sa Sa, Sa Sa Group, Group, we or us	Sa Sa International Holdings Limited, and, except where the context indicates otherwise, its subsidiaries
Corporate Communication(s)	Any document issued or to be issued by the Company for the information or action of holders of any securities of the Company, including but not limited to annual and interim reports, notice of meeting, listing document, circular and proxy form
Director(s)	Director(s) of the Company, including all executive, non-executive and independent non-executive directors
ERM	Enterprise Risk Management
Hong Kong, Hong Kong SAR, HK or HKSAR	The Hong Kong Special Administrative Region of the People's Republic of China
Listing rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Macau or Macau SAR	The Macau Special Administrative Region of the People's Republic of China
Mainland or Mainland China	The People's Republic of China excluding Hong Kong, Macau and Taiwan
Model Code	Model Code for Securities Transactions by Directors of Listed issuers, Appendix C3 of the Listing Rules
PRC	The People's Republic of China
PwC, auditor, external auditor or independent auditor	PricewaterhouseCoopers
SFO	Securities and Futures Ordinance, Cap. 571
Share(s)	Share(s) of the Company
Shareholder(s)	Shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited

CORPORATE INFORMATION

Board of Directors

Executive Directors

Dr KWOK Siu Ming Simon, *SBS, JP* (Chairman and CEO)
Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP* (Vice-chairman)
Ms KWOK Sze Wai Melody, *MH, JP*
Ms KWOK Sea Nga Kitty
Mr CHUNG Ming Kit (CFO)

Independent Non-executive Directors

Ms KI Man Fung Leonie, *GBS, SBS, JP*
Mr TAN Wee Seng
Mr CHAN Hiu Fung Nicholas, *BBS, MH, JP*
Ms LEE Yun Chun Marie-Christine

Company Secretary

Mr CHUNG Ming Kit

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Grand Cayman
KY1-1104
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Auditor

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

Principal Share Registrar and Transfer Office

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Building D, P.O. Box 1586
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Grand Cayman, KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road
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Tel: (852) 2980 1333
Fax: (852) 2810 8185
E-mail: is-enquiries@hk.tricorglobal.com
Website: www.tricoris.com

Principal Bankers

Bank of China (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited
Citibank, N. A.
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

Share Information

Stock code: 178
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This 2024/2025 Annual Report is available in both English and Chinese, and in printed and electronic forms. All corporate communications are now available on the Company's website at http://corp.sasa.com and the HKEXnews website of the Stock Exchange at http://www.hkexnews.hk.

As an environment-conscious corporate citizen, the Company encourages Shareholders to access the corporate communications via the Company's or HKEXnews website. Shareholders may at any time change their choice of language or means of receipt of the Company's corporate communications by notice in writing to Tricor Abacus Limited, the Company's branch share registrar and transfer office in Hong Kong. The request form may be downloaded from the Company's website.

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