Sasa

INFINITE BEAUTY. BE YOUR TRUE SELF.

46th ANNIVERSARY

2023/24
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 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

CONTENT

2	Financial Highlights
10	Our Strategy
16	Our Milestones
18	Our Awards and Recognitions
22	Ten-year Financial Summary
26	Chairman's Statement
29	Management Discussion & Analysis
50	Biographical Information of Directors and Senior Management
57	Corporate Governance Report
80	Enterprise Risk Management Report
88	Environmental, Social and Governance Report
132	Investor Relations Report
137	Directors' Report
152	Independent Auditor's Report
156	Consolidated Income Statement
157	Consolidated Statement of Comprehensive Income
158	Consolidated Statement of Financial Position
159	Consolidated Statement of Changes in Equity
160	Consolidated Statement of Cash Flows
161	Material Accounting Policies
167	Financial Risk Management
170	Critical Accounting Estimates and Judgements
171	Notes to the Consolidated Financial Statements
211	Glossary
212	Corporate Information

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2024

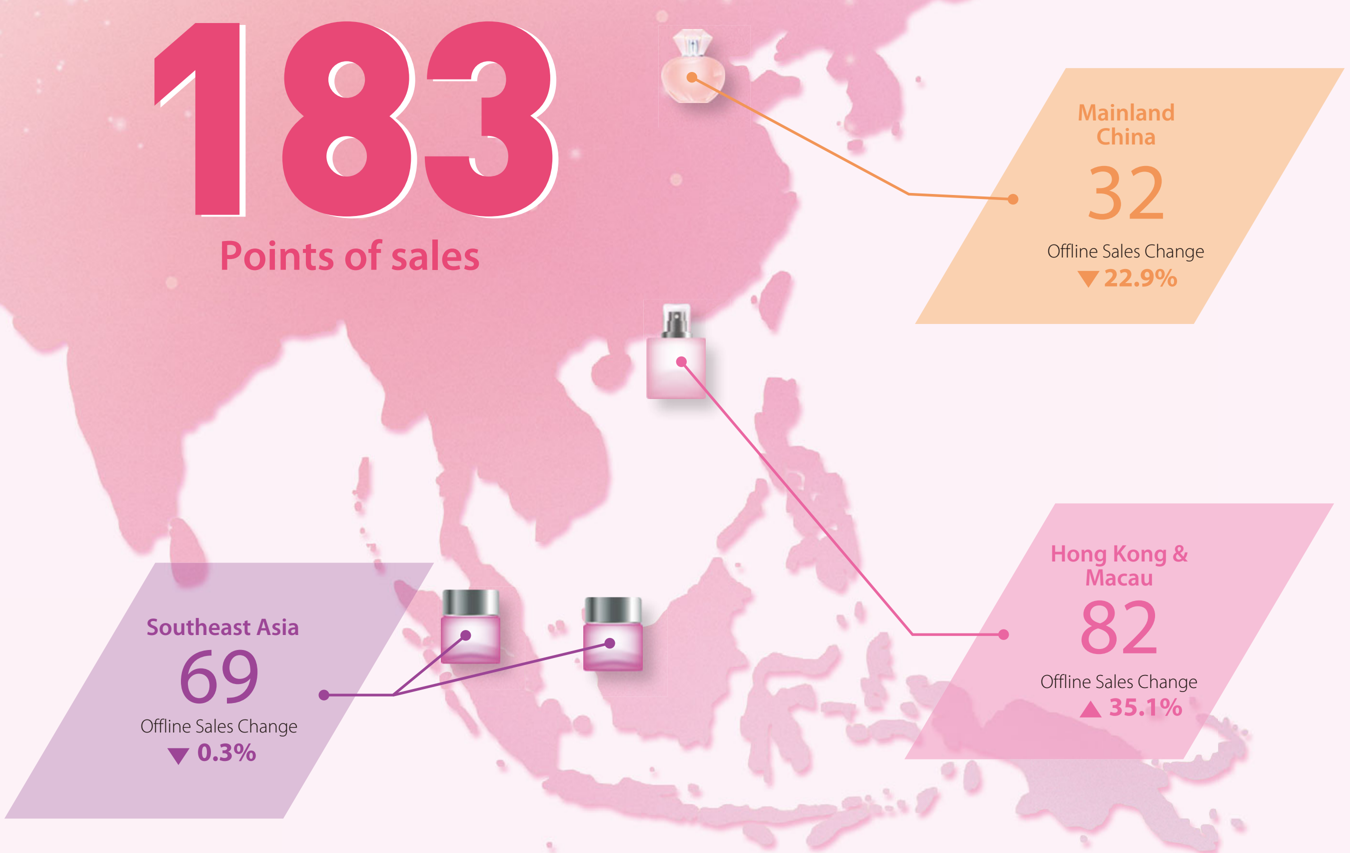
Turnover	24.8% YoY change	HK$4,367.5 million
Gross profit margin	0.8 ppt YoY change	40.8%
Gross profit	27.3% YoY change	HK$1,783.4 million
Profit for the year	HK$160.6 million YoY change	HK$218.9 million
Basic earnings per share	5.2 HK cents YoY change	7.1 HK cents
Basic dividend per share		5.0 HK cents
Dividend payout ratio		~70%

Solid Financial Position
(as of 31 March 2024)

Net cash and bank balances	HK$184.5 million YoY change	HK$457.8 million
Current ratio (times)		1.7

OUR FOOTPRINT IN ASIA

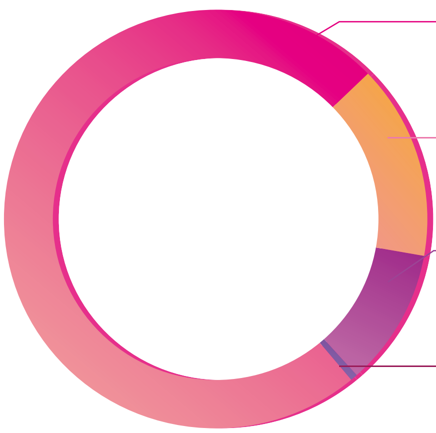
As of 31 March 2024



Remark : The above data is settled in local currency

Group Geographical Sales Mix

For the year ended 31 March 2024



Hong Kong & Macau	**78.1%**
Mainland China	**13.3%**
Southeast Asia	**8.4%**
Others	**0.2%**
Total	**100.0%**

Beautiful Services

Shop Simple

We focus on advancing OMO strategy integrating online platforms with the retail network as well as creating an online community with promotion of exclusive brands to provide customers with an enhanced and seamless shopping experience.

Eleanor
LUXURY
BEAUTY ELIXIR

Beautiful Experiences

Enjoy Shopping

Sa Sa has over 46 years of experience on sourcing of brands and products and commits to a 30-day purchase guarantee with assured product and service quality. Our team of professional beauty consultants operating both offline and online can also help to present the brand story and product to customers.


어용감 한방
Youth Vitality
Reviving Activating Serum Mask
어용감 한방
Youth Vitality
Ageless Eye Serum
어용감 한방
Youth Vitality
Reinforcing Royal Cream
어용감 한방
Youth Vitality
Ageless Neck Firming Cream

Sasa

making life beautiful

Beautiful Platforms

Link more

We are actively seeking partnerships with brands and enhancing our portfolio of exclusive brands and developing these brands with the brand owners. We review our core product categories to ensure trending brands and products are in place.


STORE
SUISSE PROGRAMME
COLLAGEX PREMIER
NATIVE COLLAGEN SERUM MIST
BRUME DE SERUM AU COLLAGENE PUR
SUISSE PROGRAMME
THE RICH CREAM
LA CREME RICHE
SUISSE PROGRAMME
GIGAWHITE PEARL SERUM
SERUM DE PERLE GIGAWHITE
SUISSE PROGRAMME
- ADVANCED -
CELLULAR BOOSTING SOLUTION
SOLUTION COUP DE FOUET CELLULAIRE

OUR STRATEGY

Our Strategic Framework

Sa Sa has been a leading beauty and personal care retailer in Asia for 46 years. As a multi-brand retailer, we are proud of our ability to recommend the best products for our customers. Our network of expert beauty consultants is one of our key assets and advantages that helps us offer excellent services to our customers.

Sa Sa aims to grow our business sustainably and create more value for our stakeholders, using our strengths developed over the years. "**Making Life Beautiful**" is our core purpose, and we will achieve this by investing in four key areas that support our three strategic pillars.

Purpose

MAKING LIFE BEAUTIFUL

Strategy

1	2	3
DESIRED ASSORTMENT	**ACCESSIBLE & ENGAGING**	**ASPIRATIONAL BRANDS**
Excellent Business Partnering with Brands & Suppliers to drive value creation through product assortment and deliver at leading efficiency	Build a consumer centric engagement experience embedding our route-to-market strategy to the consumer journey	Invest and nurture portfolio of Exclusive Brands

ENABLERS

People	**Culture and Talent Development**
Digitalisation	**Customer Journey Digitalisation**
Partnerships	**Industry Players**
ESG	**Environmental, Social and Governance**

Strategic Pillars

Desired Assortment

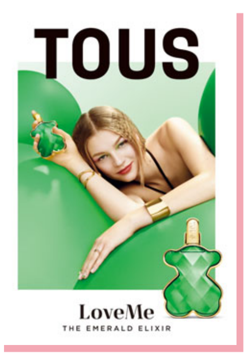
We will work more closely with brand owners and suppliers to create a product range that appeals to our consumers. Consumers choose Sa Sa to "make their lives beautiful". We aim to offer customers the latest and best products to help them keep up with the trends in the beauty and personal care world. This is also key for Sa Sa to attract new customers and encourage repeat purchases from our loyal member base. By improving our category management, managing inventory well, and using our skilled sourcing team and data analytics, we can respond to the changing consumer preferences and keep a healthy product mix and gross margins.

Some of the Group's latest Exclusive brands

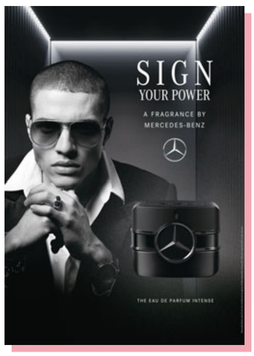
Make-up brand "Cyber Colors"

Make-up brand "BANILA CO"

Skincare brand "SUISSE PROGRAMME"



Fragrance brand "TOUS"



Fragrance brand "Mercedes-Benz"

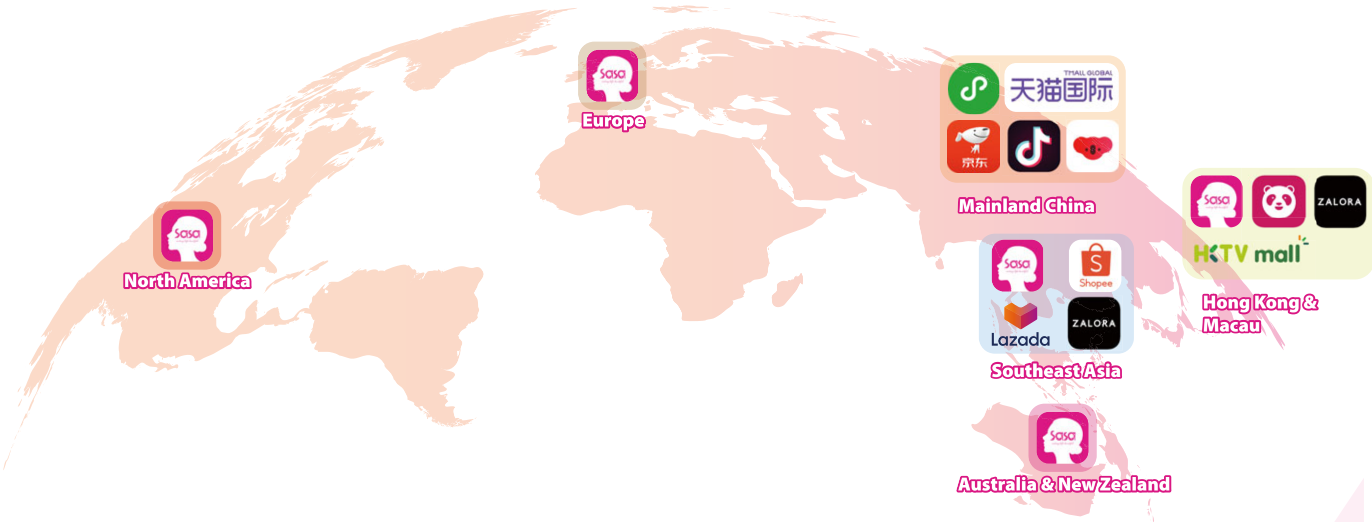
Accessible & Engaging

We will incorporate our route-to-consumer strategy around the evolving consumer journey to ensure we reach the consumer where they are and offer them the options they want, whether it is online or offline or a combination of both (OMO). We have always put consumers at the heart of Sa Sa's business and we aim to enhance this in the new world by providing a smooth consumer experience as consumers increasingly adopt different ways to discover and buy. We will build on the strengths we have developed, from our wide network of physical offline stores to diverse range of online platforms, and continue to invest and improve our management of them. We also continue to experiment and leverage what online can do that offline cannot, for example livestreaming to reach a new audience, and creating "endless aisle" to meet all kinds of customer needs. Customers can access product information and interact with our professional beauty consultants for direct beauty advice, then make orders via online or offline channels based on their preferences, enjoying a truly customer-focused omni-channel shopping experience.

Offline Channels (Retail Stores)

As at 31 March 2024, the Group has 183 retail outlets in the following geographies:

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.

小红书

Aspirational Brands

We focus on growing our managed and exclusive brands, investing in these brands to nurture their brand value. We have control over our exclusive products in strategy, positioning, marketing, pricing, and sales. We want to build brand equity for our exclusive products, manage the brand portfolio, and improve product quality and margin. This would help us stand out as a multi-brand retailer, and attract more brand partners. We have a wide range of prices to meet different customers' needs. We will invest in our marketing, including understanding consumer trends, interacting with members, engaging the Sa Sa community, and boosting our social media.

sasatinnie Advanced Water Glow Essence Mask – 3rd Pop-up Exhibition

Eleanor x Madame Fù Beauty Piece of Art Afternoon Tea

Suisse Programme Golden Collagen Tram Promotion

Eoyunggam Pop-up Van Promotion

As of 31 March 2024, 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***

We offer a variety of quality brands and authentic products for all kinds of beauty needs. We are confident in our product quality and give our customers, online and offline, a 30-day Purchase Guarantee when they shop with us.

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

Exclusive Brands

Skincare

Abib
AHAVA ELEMENTAL BEAUTY FROM THE DEAD SEA
ALTEYA organics
Anua
BANILA CO
b·liv healthy pores healthy skin
BTOlab
BYPHASSE
Cell Fusion C Dermatological Laboratory
Cellcore
CHRISTIAN LAURENT
COLLISTAR MILANO
Derma:B
DERMEDEN LABORATOIRES PARIS
Dr.G MY SKIN MENTOR Dr.G
Dr.Jart+ SKIN. SCIENCE. ART.
Eleanor
Elizabeth Arden NEW YORK
어용감
GOONGBE 궁중비책
Haruhada ハルハダ
肌っ子
JENSANY
KOCOSTAR HOME BEAUTY TREATMENTS
La Estephe SWITZERLAND
MAKHAMTHAI
MÉTHODE JEANNE PIAUBERT PARIS
Méthode SWISS BEAUTY CARE
Neogence 霓淨思 LAB-DERMATOLOGICAL SKINCARE
NEUE PROFESSIONAL
NOV
Rexaline LABS
SHANGPREE
skin79
SkinPeptoxyl
skybottle
sasatinnie
Snp
Soo Beauté
suiskin
SUISSE PROGRAMME
VT COSMETICS

Fragrance

Abercrombie & Fitch
ANGEL SCHLESSER
BANANA REPUBLIC
BENTLEY
CARVEN PARFUMS
CR7 CRISTIANO RONALDO
DSQUARED2
Elizabeth Arden NEW YORK
GRÈS PARIS
GUESS
HALLOWEEN
HOLLISTER CALIFORNIA
JAGUAR
john varvatos
Juicy Couture
Kappa NEW FRAGRANCES FOR HIM AND HER
MANDARINA DUCK
PRINCESSE MARINA DE BOURBON PARIS
Mercedes-Benz Perfume.
PARIS HILTON
PERRY ELLIS
POLICE PARFUMS
REAL TIME
FERRAGAMO
SCALPERS
TOUS
TRUE RELIGION
TRUSSARDI
VASILISA
VICTORINOX
VINCE CAMUTO

Make up

AVANCÉ ROPPONGI HILLS
BANILA CO
COLOR COMBOS
Cyber Colors
dasique
Dinto
Eleanor
espoir
GLAMFOX
HOLIKA HOLIKA
MUZIGAE MANSION
PUPA MILANO
rom&nd
sasatinnie

Personal Care

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

Inner Beauty

BB LAB
Konkabao The Power From Nature
LEMONA
Nutrione
PURENEW harness your inner beauty

Equipment (non-exclusive)

NOWMI LAB
JUJY
Angelique

Our Enablers

We will keep investing sustainably in these three pillars: building the right culture and talent to fulfil our vision; using digitalisation to improve consumer experience and service; working with brands and other industry players; and strengthening our ESG policies to be responsible and positive as a group.

Culture and Talent Development

Our company culture has always been "Joy at Sa Sa". We want to create a community that is like a family, full of happiness and warmth, where we help our employees grow and succeed, and encourage them to explore personal and career opportunities. With the mutual interaction between the company and our employees, our main goal is to offer them stimulating career development options, train them with the best skills to face current and future challenges, and support a balanced and joyful lifestyle. More information on our talent development plans can be seen on pages 106 – 113.

A key theme in our culture is "as one" – it's very important that we ensure the uniformity in how we manage, how we serve and value our customers, and how we partner with brands and foster their growth.

Customer Journey Digitalisation

NEXT-GEN CRM:

Integrating Sa Sa's CRM system to offer a seamless user experience across Hong Kong & Macau, Mainland China, and Southeast Asia, for customers from both online and offline channels. We aim to redesign various customer journey touchpoints that involve recruitment, registration, retention, and referral to increase customer lifetime value. With enhanced product content, consumer review features, and value-added services (e.g., skin testing, foundations shade matching, colour testing and personalised product suggestions), we hope to create a lively and close community of Sa Sa members, while Sa Sa also get to gain deeper insights for future engagements.

OMO EXPANSION:

We respond to customers' needs for more convenient shopping experience and better online & offline integration by improving the whole process of Buy Online Pick-up In Store (BOPIS) through an enhanced OMO model. We upgrade our technological capability and collaborate with external parties, such as payment gateways and delivery service providers, to enable us to offer more varied purchase journeys and more pick-up locations. Leveraging our strength in physical stores, we also focus on providing our professional beauty consultants with the right tools to help them attract offline customers to our online channels for omni-channel engagements.

EXPERIENCE ORIENTED RETAIL STORES:

Customers want more space and experiences to discover themselves. This shapes how we improve our in-store experience. We are trialling QR-code based retail, in-store skin test, foundations shade matching, colour testing etc. We will also use technologies like heatmap and operation productivity analysis, to help us enhance the shopping experience.

DATA ANALYTICS PLATFORM:

Centralise our data management platform (master data, key figures, processes, tech solutions and governance) to group level for more holistic data-based management, covering both financial and non-financial data. This should help us make faster and more accurate data-based decisions in daily business operations and improve cooperation between our different functions and teams. This will not only support us to know our consumers better, but also help management to monitor performance and set goals for the Group's future.

Partnership with Industry Players

We build long-lasting strategic partnerships with our suppliers and business partners that benefit both sides and support long-term growth and mutual success. Our way of partnering allows us to establish trust as we continue to diversify our brand portfolio with quality products. Sa Sa has a special role as a multi-brand retailer, to go beyond two-way brand partnerships, connecting and creating synergies among the various brands that we offer, and to collaborate with other kinds of organisations that are part of the industry. Brand owners entrust us with their brands, and we aim to repay that trust not only with sales but a comprehensive approach to ensure the brand story is well understood and well presented in our offline and online stores. We can also collect and provide valuable consumer feedback that could help inform product development, pricing and promotion decisions.

Sa Sa x Mercedes-Benz fragrance new launch in Malaysia

Sa Sa x TOUS fragrance PR Event in Malaysia

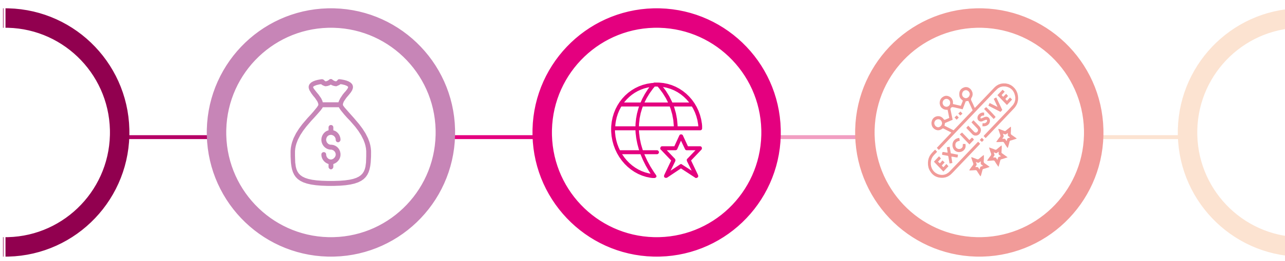
Environmental, Social and Governance

ESG considerations and objectives are embedded within the management of our business, including but not limited to the sourcing of Clean Beauty products, please refer to our 13th ESG report from page 88 – 131 for more details. During the financial year, we increased our portfolio of clean beauty brands and products to 33 and 276, respectively.

Our Business Goals

With the strategy set in place and dedicating investments in our enablers, we are laser focused on achieving established business goals, raising our gross profit margin to fund further reinvestment, scaling up markets and channels outside of our core of offline in Hong Kong and Macau for a more diversified revenue profile, and growing our exclusive brands portfolio and sales mix for long-term growth and profitability.

We have a clear strategy and we are investing in our key drivers. We are firmly committed to reaching our business objectives, increasing our gross profit margin to allow for more reinvestment into the brand, expanding our markets and channels beyond our main base of offline in Hong Kong and Macau for a more balanced revenue profile, and developing our exclusive brands portfolio and sales mix for lasting growth through consumer stickiness and profitability.



Gross Profit

Raise our top line gross profit margin to fund further reinvestment for more sustainable business growth and profitability, maximising long-lasting value to our stakeholders

Sales Channels

Further scale up businesses in markets and channels beyond the core of Hong Kong & Macau, to unleash the Group's potentials and diversify our revenue profile

Exclusive Brands

Grow Exclusive Brand's portfolio and sales mix to increase Sa Sa's customer stickiness, for a long-term growth and profitability, and to attract more top-notch brands as partners

OUR MILESTONES

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.

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.

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.

2011

- The Group's 200^{th} store in Asia.

2013

- 35^{th} anniversary of the Group.
- "Sa Sa Making Life Beautiful Charity Fund" was founded.
- Opening of Sa Sa Supreme, the first lifestyle concept store in Asia Pacific, in Causeway Bay, with approximately 20,000 sq. ft.

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.

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 exclusive brand – Eleanor in Hong Kong, with its first exclusive store in Sa Sa Supreme in Causeway Bay.

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

- 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.

2021

- Launch of Sa Sa's first official store on Lazada.
- Launch of Sa Sa's Overseas Flagship Store on Douyin.
- Revamped shopping website and mobile app in Hong Kong.

2022

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

2023

- 45th anniversary of the Group.
- Returned to Singapore with the opening of first store.

2024

- Opening of Sa Sa Beauty Academy in Central.
- Launched on Zalora in Hong Kong and Singapore.

OUR AWARDS AND RECOGNITIONS

Corporate Governance And Management

Sa Sa received the "Greater Bay Area Most Outstanding Business Awards 2023" by CORPHUB, recognising our relentless dedication and tremendous contributions in terms of business development, corporate social responsibility and charity, benefiting the economic growth and integration of the Greater Bay Area.

Sa Sa has clinched the "Best IR Company" and two other awards at the 9th Investor Relations Awards organised by Hong Kong Investor Relations Association ("HKIRA"):

- Best IR Company
- Best IR by IR Team
- Best Annual Report

Mr Danny Ho, Executive Director and Chief Financial Officer of the Group, was named as one of the "Top 10 Best Chief Financial Officers in Hong Kong 2023" organised by CEO Insights Asia Magazine.

In addition, Sa Sa was awarded the "Best Small-cap – HKSAR gold award" in the "Finance Asia Award 2023" by Finance Asia.

Sa Sa clinches the Hang Seng University of Hong Kong's ("HSUHK") 13th Junzi Corporation Award, which commends the Group for its commitment to a high level of business ethics and its fulfilment of corporate social responsibilities.

Brand Recognition

Sa Sa is recognised as a member retailer participating in the "No Fakes Pledge" Scheme for 20 consecutive years by the Intellectual Property Department (IPD) of HKSAR.

Sa Sa was awarded "The Most Outstanding Beauty Product Retailing Group" in the "HKCT Business Awards 2023" by Hong Kong Commercial Times.

E-commerce & Innovation

Sa Sa Dot Com was awarded "Top 10 Quality Trusted E-Shop Award – TOP 10" and "The Best User Experience Award" at the "Quality Trusted E-Shop Award 2023" by HKRMA.

Sa Sa WeChat mini-programme received below accolades from "Action Multiplied PLUS 2023" of Tencent Smart Retail:

- Global growth – Award of Brand Excellence
- Global growth – Global User Operations Dedicated Award

Sa Sa Dot Com was awarded the "Best GBA Live Commerce Brand" by the Guangdong Association of Livestreaming E-commerce.

JD Global

- Top 3 in facial skincare of overseas buyers in JD Worldwide (April 2023 – March 2024)

Shopee

- Malaysia – Top 3 Cross Border Health & Beauty Seller on Double 11
- Malaysia – Top 2 Cross Border Health & Beauty Seller on Double 12
- Singapore – Top 2 Cross Border Health & Beauty Seller in full year

Lazada

- Malaysia – Top 1 Cross Border Beauty Seller in full year
- Singapore – Top 1 Cross Border Beauty Seller in full year

Corporate Social Responsibility

Our Chairman and CEO, Dr Simon Kwok, received "Award of Excellence" in the Community Chest Annual Awards Ceremony 2023 on behalf of Sa Sa.

Sa Sa received the "ESG Special Recognition Award" in "TVB ESG Awards 2023" by TVB in recognition of our effort to ESG and sustainability.

Sa Sa was honoured as "Consumer Caring Company" in the "Consumer Caring Scheme 2023" by GS1 Hong Kong for three consecutive years in recognition of Sa Sa's contribution to the customer-centricity and care for our people as well as the superior performance in terms of product and service quality.

Sa Sa received Platinum Class Award Certificate, Microbead-free Brand Certificate, and Microbead Phrase-out Award – Pioneer Award in the "Bye Bye Microbeads" Charter by the Environmental Protection Department.

Being awarded the Caring Company logo for 19 consecutive years, Sa Sa received the "15 Year Plus Caring Company Logo" in 2024 in recognition of its contributions in building a cohesive society.

Sa Sa was accredited as "Super MD" from 2023 to 2024 in the "ERB Manpower Developer Award Scheme" by Employees Retraining Board (ERB).

Award Presented to Sa Sa's Exclusive Products

Hong Kong

Cosmo Cert	AHAVA Crystal Osmoter™ X6 Serum
Cosmopolitan Best of the Best Beauty Awards 2023	**The Best Face Cream** Suisse Programme The Rich Cream
she.com Beauty Awards 2023	**Favourite Firming Serum** AHAVA Crystal Osmoter™ X6 Serum
	Favourite Firming Cream Suisse Programme The Rich Cream
	Favourite Dermatological Whitening Serum Rexaline Dark Spot Correcting Serum
Buzz KOL Top Picks Award 2023	**KOL Top Picks Skincare Brand** sasatinnie Advanced Water Glow Essence Mask – 3rd

Southeast Asia

CITTA BELLA Beauty Awards 2023/24	**Best Alluring Fragrance** TOUS LoveMe The Silver Parfum
	Best Beginner Care Suiskin Pine Leaf Vegan Cream
	Best Facial Oil Eoyunggam Youth Vitality Revival Ginseng Facial Oil
	Best Lifting Care Suisse Programme The Rich Cream
	Best Mascara ARTDECO Twist For Volume Mascara

TEN-YEAR FINANCIAL SUMMARY

For the year ended 31 Mar

Consolidated Income Statement

	< 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$'000 Restated	< Note 1 > 2015 HK$'000 Restated
Turnover										
– Continuing operations	**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	8,419,147
– Discontinued operations	**-**	–	–	–	253,222	232,562	424,611	395,803	477,093	532,899
	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	8,952,046
Gross profit										
– Continuing operations	**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	3,821,682
– Discontinued operations	**-**	–	–	–	121,659	104,439	195,112	174,657	216,137	242,978
	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	4,064,660
Gross profit margin										
– Continuing operations	**40.8%**	40.0%	36.9%	34.6%	36.4%	40.7%	41.9%	41.6%	43.2%	45.4%
– Discontinued operations	**-**	–	–	–	48.0%	44.9%	46.0%	44.1%	45.3%	45.6%
	40.8%	40.0%	36.9%	34.6%	36.9%	40.8%	42.1%	41.7%	43.3%	45.4%
Operating profit/(loss)										
– Continuing operations	**285,134**	1,486	(328,096)	(391,481)	(553,425)	561,739	563,484	435,299	489,735	1,013,245
– Discontinued operations	**-**	–	–	7,922	(40,036)	(20,296)	(38,472)	(40,006)	(28,660)	(21,457)
	285,134	1,486	(328,096)	(383,559)	(593,461)	541,443	525,012	395,293	461,075	991,788
Profit/(loss) for the year										
– Continuing operations	**218,883**	58,247	(343,732)	(359,298)	(475,082)	490,917	479,778	366,476	411,841	859,962
– Discontinued operations	**-**	–	–	7,930	(40,854)	(20,165)	(39,658)	(39,771)	(28,371)	(21,151)
	218,883	58,247	(343,732)	(351,368)	(515,936)	470,752	440,120	326,705	383,470	838,811
Profit margin										
– Continuing operations	**5.0%**	1.7%	−10.1%	−11.8%	−8.3%	6.0%	6.1%	5.0%	5.6%	10.2%
– Discontinued operations	**-**	–	–	–	−16.1%	−8.7%	−9.3%	−10.0%	−5.9%	−4.0%
	5.0%	1.7%	−10.1%	−11.5%	−8.6%	5.6%	5.3%	4.2%	4.9%	9.4%

Consolidated Statement of Financial Position

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total assets	**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	3,390,073
Total liabilities	**(1,252,029)**	(1,172,146)	(1,103,915)	(1,180,739)	(1,602,875)	(919,872)	(1,094,208)	(709,911)	(683,217)	(915,565)
Net assets	**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	2,474,508
Shareholders' funds										
Share capital	**310,319**	310,319	310,319	310,319	310,319	309,560	303,885	299,444	289,213	284,468
Reserves	**941,770**	730,862	672,589	1,019,824	1,353,993	2,177,048	2,178,955	1,919,722	1,999,073	2,190,040
Total equity	**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	2,474,508

Continuing operations

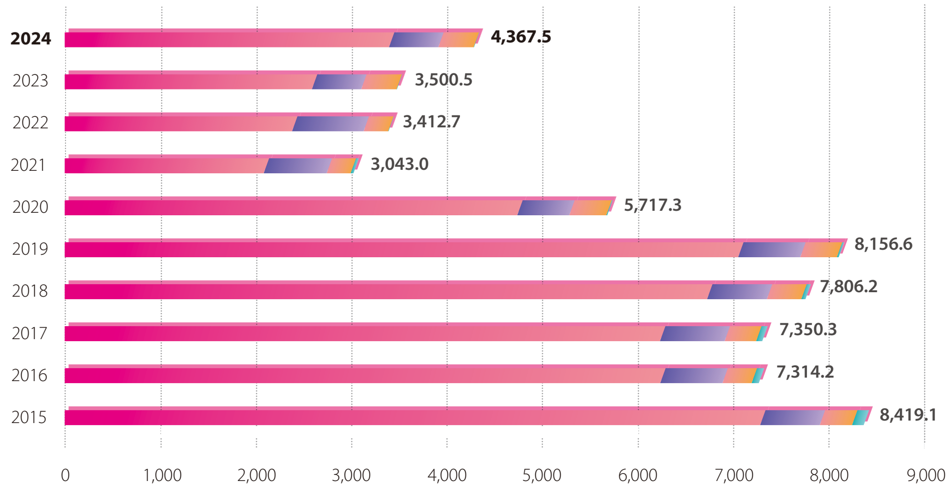
Turnover

(HK$ million)
FY2021 – FY2024 (Post-Covid) CAGR◊:

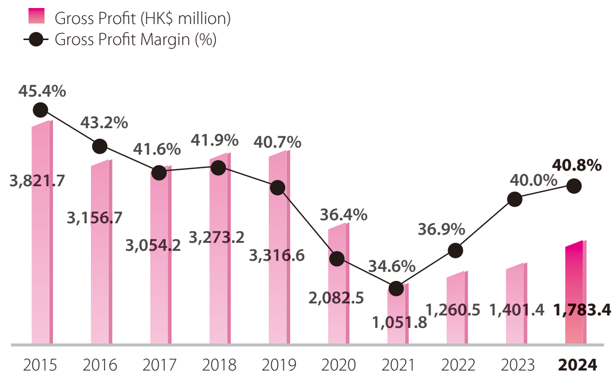
▲ 12.8%

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

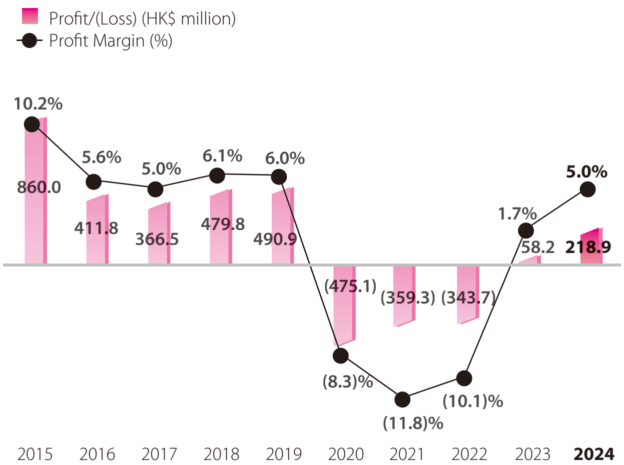
◊ Compound annual growth rate for the last three years



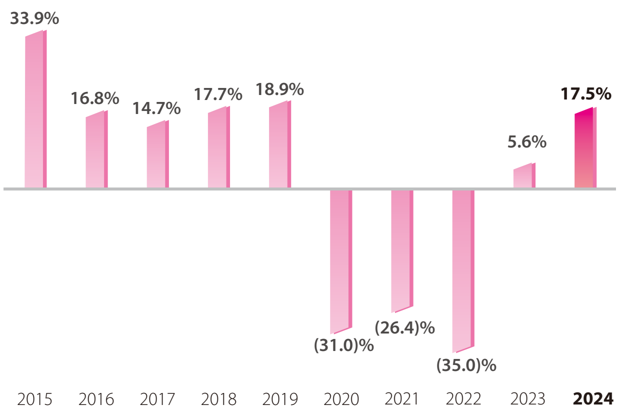
Gross Profit and Gross Profit Margin



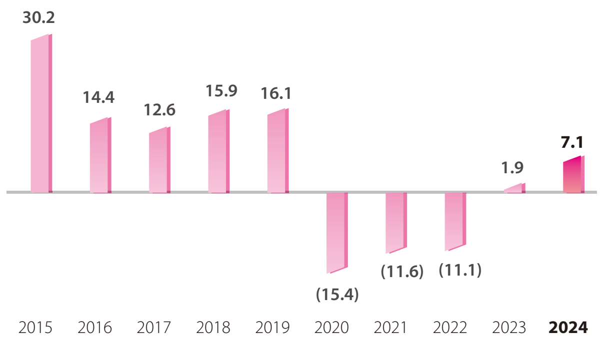
Profit/(Loss) and Profit Margin



Return on Equity
(Including discontinued operations)



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



Consolidated Statement of Cash Flows

	< Note 2 > 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$'000 Restated	< Note 1> 2015 HK$'000 Restated
Net cash generated/(used in) from operating activities (including payment of lease liabilities and interest) (Note 3)	**253,589**	144,593	(274,718)	(79,776)	(125,905)	346,233	748,214	356,723	578,922	1,069,606

Per Share Data and Key Ratios

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Basic earnings/(loss) per share (HK cents)										
– Continuing operations	**7.1**	1.9	(11.1)	(11.6)	(15.4)	16.1	15.9	12.6	14.4	30.2
– Discontinued operations	**-**	–	–	0.3	(1.3)	(0.7)	(1.3)	(1.4)	(1.0)	(0.7)
	7.1	1.9	(11.1)	(11.3)	(16.7)	15.4	14.6	11.2	13.4	29.5
Diluted earnings/(loss) per share (HK cents)										
– Continuing operations	**7.1**	1.9	(11.1)	(11.6)	(15.4)	16.1	15.9	12.6	14.4	30.2
– Discontinued operations	**-**	–	–	0.3	(1.3)	(0.7)	(1.3)	(1.4)	(1.0)	(0.7)
	7.1	1.9	(11.1)	(11.3)	(16.7)	15.4	14.6	11.2	13.4	29.5
Return on equity	**17.5%**	5.6%	–35.0%	–26.4%	–31.0%	18.9%	17.7%	14.7%	16.8%	33.9%
Dividend per share (HK cents)										
Basic	**5.0**	–	–	–	–	16.0	14.5	13.0	14.0	14.0
Special	**-**	–	–	–	–	–	3.0	4.0	9.5	9.5
Total	**5.0**	–	–	–	–	16.0	17.5	17.0	23.5	23.5
Dividend payout ratio	**70.9%**	–	–	–	–	105.2%	120.7%	154.9%	176.1%	79.7%
Dividend yield as at 31 Mar	**6.0%**	–	–	–	–	6.0%	4.3%	5.6%	9.8%	6.2%
Closing share price as at 31 Mar (HK$)	**0.83**	1.84	1.39	1.78	1.16	2.68	4.06	3.06	2.41	3.79
Price/Earnings (times)	**11.8**	98.0	N/A	N/A	N/A	17.4	27.8	27.4	17.9	12.8
Net assets value per share (HK$)	**0.4**	0.3	0.3	0.4	0.5	0.8	0.8	0.7	0.8	0.9
Current ratio (times)	**1.7**	1.5	1.5	1.9	1.9	3.3	3.0	3.8	3.9	3.3
Gearing ratio (defined as the ratio of total borrowings to total equity)	**-**	2.9%	10.4%	–	–	–	–	–	–	–

Operational Data

	< 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$'000 Restated	< Note 1> 2015 HK$'000 Restated
Number of retail outlets for the continuing operations	**183**	186	234	232	235	253	245	243	236	234
Total gross retail area for the continuing operations (rounded to the nearest thousand sq ft) (Note 4)	**354,000**	373,000	447,000	458,000	477,000	526,000	529,000	544,000	530,000	539,000
Stock turnover days	**100**	116	127	140	101	104	102	99	91	103
Number of employees (rounded to the nearest hundred)	**2,700**	2,600	3,100	3,200	3,700	4,700	4,800	4,900	4,900	5,000

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 end 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.

CHAIRMAN'S STATEMENT

Despite the macroeconomic uncertainties leading to challenges in the retail operating environment, I retain a positive outlook over the long-term future.

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

Firstly, I would like to express my heartfelt gratitude to every employee of Sa Sa. They continued to perform their duties professionally and steadfastly despite the uncertain global operating environment as we navigated through the first complete Financial Year (financial year ended 31 March 2024) following the pandemic.

Sa Sa's full-year turnover increased by 24.8% to HK$4,367.5 million

The Group's turnover for the Financial Year increased by approximately 24.8% to HK$4,367.5 million. This was attributable to enhanced operational efficiency, industry leading quality services and attractive product portfolio that catered to consumer preferences, and the agile responsiveness of our business units across different regions to capitalise on the revival of tourism. As a result, the Group completed a profit turnaround. Profit for the year grew significantly to HK$218.9 million from an adjusted net loss in the previous year of HK$54.6 million after excluding a one-off tax credit of HK$80.6 million, despite the challenging business environment. The Group's net cash balance increased by HK$184.5 million or 67.5% to HK$457.8 million as at the year-end, which together with available loan facilities of approximately HK$267.4 million, give total available cash facilities of HK$725.2 million, which is sufficient to meet operating needs.

Given the Group has returned operations to a solid footing and profitability, I am pleased to announce that the Board proposed to pay a final dividend for the year of 5.0 cents per share (2023: Nil) representing approximately 70% of the profit for the year. The Group will seek to maintain a steady dividend policy going forwards.

Hong Kong and Macau

Turnover increased by 31.4% year-on-year to HK$3,409.7 million: revenge spending immediately after the boundaries' with Mainland China reopened, with growth normalising after May 2023 Golden Week holidays

During the Financial Year, the Group's turnover grew 31.4% to HK$3,409.7 million in our core markets of Hong Kong and Macau with Offline retail sales and wholesales ("Offline Sales") increasing 35.1% compared to the previous year. Following the resumption of cross-boundary travel between Hong Kong, Macau and Mainland China in January 2023, the return of tourists triggered revenge spending, which drove business growth and resulted in a high comparison base in the fourth quarter of the previous financial year. After the May 2023 Labour Day Golden Week, consumption gradually normalised. Double-digit growth was recorded in both the total number of transactions and the average transaction size during the Year.

Closer integration of Hong Kong, Macau and the Greater Bay Area has changed consumption and travel patterns

During the Financial Year, we saw a ramp-up in interconnectedness of Hong Kong, Macau and the Greater Bay Area in terms of consumption, with local Hong Kong residents travelling north to experience the cultural life in the Greater Bay Area. Value for money and service quality became the new buzz words. This outbound trend is particularly prevalent during weekends and public holidays, and by end of February 2024 this became more pronounced with the outbound numbers far exceeding the number of Mainland Chinese visitors coming into Hong Kong and Macau, impacting the net foot traffic at our physical stores.

Sa Sa focuses on optimising the shopping experience, and serving local and VIP customers to enhance competitiveness

Faced with changing lifestyle choices, we continue to focus on enhancing our service quality and appeal. We have accelerated the roll-out of our latest store design across our store network, and ensuring through training that attentive services are provided by our professional beauty consultants to create a premium shopping experience.

Local customers and VIP members are the foundation of our sales in Hong Kong and Macau. We will continue to keep abreast of their consumption needs and respond to them attentively. We will also expand our store network, so long as rental is reasonable and the market demand is there, so as to better serve our customers. Considering the consumer's increasing attention to a healthy lifestyle and the trend for staying at home, the Group will further enrich its portfolio of inner beauty brands and expand the beauty devices category to enable beauty salon standard treatment at home. In combination with Sa Sa's comprehensive range of skincare products will enable customers to make their lives beautiful without leaving home.

During the Financial Year, we strengthened our online-merge-offline ("OMO") integration and online business promotion. Through the team's efforts, Sa Sa's online penetration rate in Hong Kong and Macau has increased from 0.1% pre-pandemic to 5.9%. In particular, the model of Sa Sa's beauty consultants collaborating with KOLs in live-streaming has gained popularity among a younger demographic. Going forwards, the Group will continue to invest resources in developing the online business, training talent, and launching high-quality, trendy live-streaming and online promotional content, to enhance conversion to active membership and order placement.

Government support is key to the retail industry's future growth

In addition to the need for the industry to respond with agility and enhance their competitiveness to cope with the changing consumption patterns and inflationary pressures, government policies and support will also be crucial to the retail industry's sustainable growth. The Hong Kong SAR government and retailers have strongly recommended a review of tourism-related policies, including increasing the duty-free allowance for visitors, relaxing policies on visa-free entry and multiple-entry visa, and organising more major events and exhibitions to attract visitors and consumption. We believe that the business environment is poised for improvement with a concerted effort by all stakeholders.

Mainland China

The online sales channel remains the primary growth driver in Mainland China

In Mainland China, online sales continues to dominate the retail landscape and represents the Group's primary growth engine. During the second half of the Financial Year, the Group made tangible progress with online sales growth in Mainland China of 74.5% compared to 1.0% growth in the first half, leading to overall growth of 36.3% for the full year and driving up total sales in Mainland China by 9.7%. Online sales accounts for over 70% of our total sales in the region.

Mainland China's economy has been recovering at a slower pace than expected, and consumers have become more cautious about their spending. They are opting for value-for-money products and are not so fixated on established big name brands. This shift in consumer behaviour aligns well with Sa Sa's brand strategy of developing a portfolio of exclusive niche brands. Sa Sa has leveraged cross-border, e-commerce platforms to provide customers with a more diverse selection of products and has introduced in-store experiences with skin analysis machines, mini spas, and beauty devices in combination with the advice of professional beauty consultants. Aside from in-store beauty consultants, the Group maintains customer engagement through online channels, social media and live-streaming to increase brand loyalty. As China's economy gets back on track, the Group believes that its business and exclusive products will benefit further.

Southeast Asia

Steady growth in operations in Malaysia through enhancement of stores' operational capability despite the challenge of rising cost of living

The Southeast Asian market faced headwinds from inflationary pressures, weak local currency against the US dollar and macroeconomic policy. Such factors weighed on the Group's performance in the first half of the Year. However, through steering our operations, the Group managed to achieve a 6.1% increase in same-store sales in the second half of the Year, which offset the decline in the first half of the Year and resulted in a 2.5% increase in full-year same-store sales. Although the number of stores in Malaysia decreased by 13 compared to the pre-pandemic period, Offline Sales has now recovered to 84.6% of the pre-pandemic levels, indicating significant improvement in stores' operational efficiency.

Restarting offline business in Singapore and expanding into other Southeast Asian markets

We also staged a comeback in the Singaporean market in December 2023, opening our first store there. We added a further four new stores in the first quarter of the new financial year taking the total to 5 and complementing our existing online business in this market. During the Financial Year, online sales in Southeast Asia grew by 8.9% to HK$78.4 million, accounting for 21.4% of our sales in the region. In the coming financial year, the Group will continue to focus on developing its online market through Shopee and Lazada, and adding a presence on Zalora to drive revenue growth. The Group will also actively explore and develop other potential geographies in Southeast Asia.

Conclusion

Considering the Group's greatly improved financial performance and enhanced operational capabilities, the Group has cancelled the HK$200 million revolving loan facility previously provided by myself and another Executive Director, Dr Eleanor Kwok, during the pandemic. The Group has never utilised this facility, which is a testament to the Group's treasury management.

We are halfway through calendar 2024 and the retail environment remains challenging. However, with economic recovery and the strengthening consumption power in Mainland China as well as the gradual improvement of the policies on facilitating the development of the economy and tourism in Hong Kong and Macau, I retain a positive outlook over the long-term future. Sa Sa's reputation for authentic and premium products, our team of beauty consultants who deliver attentive member engagement, and our strong product-sourcing capability will see us standout amid the intensifying competition. Last but not least, we will continue to reduce our carbon footprint and work together with our stakeholders to achieve our sustainability goals that are embedded within our overall business strategy.

Turnover

HK$4,367.5 million

▲ 24.8%

Gross Profit

HK$1,783.4 million

▲ 27.3%

Profit for the Year

HK$218.9 million

▲ HK$160.6 million

Consolidated Income Statement for the Year Ended 31 March 2024

	Full year		First half		Second half	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Turnover	**4,367,496**	3,500,525	**2,144,435**	1,550,493	**2,223,061**	1,950,032
Cost of sales	**(2,584,141)**	(2,099,165)	**(1,263,959)**	(977,189)	**(1,320,182)**	(1,121,976)
Gross profit	**1,783,355**	1,401,360	**880,476**	573,304	**902,879**	828,056
Other income	**34,063**	56,166	**17,897**	41,687	**16,166**	14,479
Selling and distribution costs	**(1,300,359)**	(1,223,114)	**(643,375)**	(614,052)	**(656,984)**	(609,062)
Administrative expenses	**(227,822)**	(244,833)	**(115,292)**	(124,495)	**(112,530)**	(120,338)
Other (losses)/gains - net	**(4,103)**	11,907	**(4,640)**	7,696	**537**	4,211
Operating profit/(loss)	**285,134**	1,486	**135,066**	(115,860)	**150,068**	117,346
Finance income	**9,012**	3,253	**3,220**	1,177	**5,792**	2,076
Finance costs	**(27,399)**	(19,100)	**(12,576)**	(8,605)	**(14,823)**	(10,495)
Profit/(loss) before income tax	**266,747**	(14,361)	**125,710**	(123,288)	**141,037**	108,927
Income tax (expenses)/credit	**(47,864)**	72,608	**(23,288)**	(9,895)	**(24,576)**	82,503
Profit/(loss) for the year attributable to owners of the Company	**218,883**	58,247	**102,422**	(133,183)	**116,461**	191,430

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, Mainland China.

The Group positions itself around its purpose of "***Making Life Beautiful***". Sa Sa is a one-stop beauty specialty platform and the go-to place for professional, quality and trending skincare, colour cosmetics and fragrance products. To cater for the growing needs of customers, while staying focused on beauty, the Group has introduced new categories, inner beauty, personal care and beauty equipment with a view to raising their sales mix over time.

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, North America, Australia, and New Zealand.

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 2023/24* (year-on-year change)

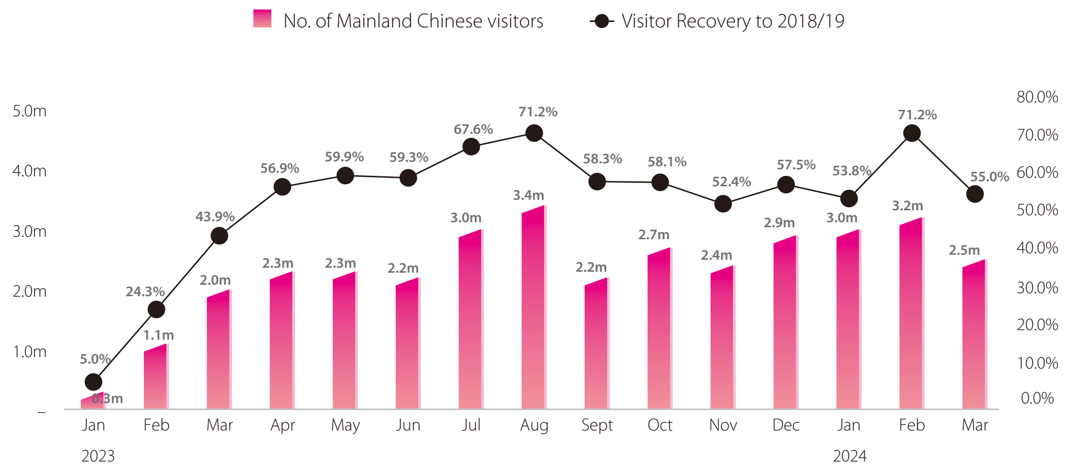
Market (Apr 2023 – Mar 2024)	**GDP Change Rate**	**Retail Sales Change**	**Medicines and Cosmetics Sales Change**
China:			
Hong Kong	+6.7%	+9.6%	+32.5%
Macau	+82.9%	+30.0%	+19.2%
Mainland China	+4.2%	+6.9%	+5.7%
Southeast Asia:			
Malaysia	+3.3%	+5.8%	*Note 1*
Singapore	Flat	+2.8%	*Note 3* +5.7%
The Philippines	+9.2%	*Note 2* +11.6%	*Note 1 & 2*

Note:

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

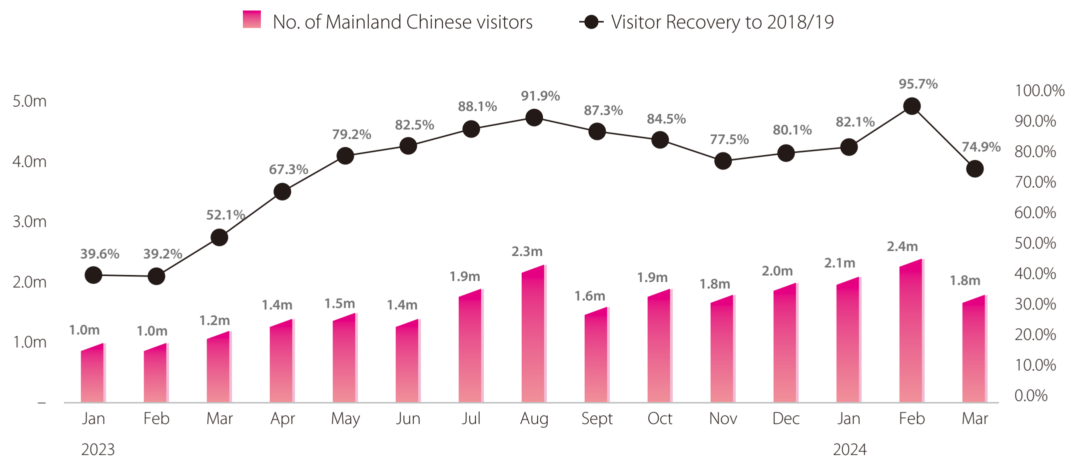
* All the above data were sourced and extrapolated from statistics published by the corresponding governments' statistics bureaus. There are some inconsistencies in the definition of cosmetics retail sales in the methodologies adopted by different government statistics bureaus in conducting statistics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

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



Source: Hong Kong SAR Census and Statistics Department & Hong Kong Tourism Board

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



Source: Government of Macao SAR and Census Service

During the Financial Year (the year ended 31 March 2024), the global economy continued to be impacted by geopolitical tensions in Ukraine, and by the second half of the year, Israel as well. With the United States of America ("US"), continuing with its containment policy towards the People Republic of China ("China"), the economic environment in the region is challenging.

In response to inflationary pressure, the US, has tightened monetary policy and maintained high interest rates leading to a strong dollar. This has led to a cost-of-living crisis across the region and is hurting consumer and business confidence in the economic outlook, with perceived risk and uncertainty in the stability of the global financial markets.

Hong Kong & Macau

Demographic of Mainland Chinese tourists becoming younger poses challenges, but also opportunities to grow the Group's exclusive brand portfolio given their tendency to try niche brands

During the Financial Year, a total of 40.8 million visitors entered Hong Kong and 32.1 million visitors entered Macau, of which 32.1 million and 22.1 million were respectively from Mainland China. This represents a recovery in Mainland Chinese tourists of 60.1% and 82.9% in Hong Kong and Macau, respectively as compared to the same period during 2018/19 ("pre-pandemic"), see Chart 2 and 3.

Statistics from the Hong Kong Tourism Board show that the demographic of Mainland Chinese tourists has changed and now tends to be of a younger age, seeking experiential travel as opposed to shopping and, unlikely to stay overnight due to the exorbitant hotel costs in Hong Kong and the ease of same day travel back to cities in the Greater Bay Area ("GBA"). With a weak Renminbi against the US dollar, the spending power of Mainland Chinese tourists while overseas is also reduced.

For almost three years while the boundary was essentially closed, Mainland Chinese shoppers have been moving to cross-border and domestic e-commerce sites, and Hainan duty free for their beauty shopping. Hence, pricing for big name brands are competitive and margins tight.

On a positive note, the Group is seeing Mainland Chinese consumers more willing to try lesser-known niche brands and domestic Chinese beauty brands. T-mall double-eleven 2023 sales saw two Chinese domestic brands enter the top ten for the first time. This enables the Group's beauty consultants to be more effective in introducing the Group's portfolio of exclusive brands that enjoy higher gross margin.

Macau progressively regaining its status as Asia's Gaming Resort

Macau has a population of just under 700,000 and is positioned as a tourism and leisure centre, which relies heavily on the Mainland Chinese tourists.

Macau possesses several unique competitive advantages including the most gaming tables and five-star hotel rooms in the region and abundant theatre infrastructure that has enabled it to secure notable concerts to attract tourists from the GBA. While Macau surpassed Las Vegas and led the world in gaming revenues in 2007, following several years of pandemic disruption and tightening of legislation in the role of promoters, competing gaming destinations across Asia Pacific have emerged, such as the Philippines. Visa free travel to Malaysia that also provides a much more favourable foreign exchange rate, provides real competition to Macau for Mainland Chinese tourists. However, the government announced that starting from 6 May 2024, Mainland Chinese citizens may apply for multi-entry visas to Macau, which bodes well for the coming year.

The Group operates nine stores in Macau, four on the high street near major tourist attractions, three within hotel resort complex and two in local areas.

Significant increase in outbound travel during long public holidays

Since border control measures into and out of Hong Kong began to relax in December 2022, the Group has seen an increasing amount of outbound travel to overseas destinations during long holidays i.e. Christmas and New Year, Chinese New Year, Easter and summer. Over 76,000 departures to overseas destinations during Christmas 2022 to approximately 2.5 million during Easter 2024, a growth of approximately 33 times. Top three destinations are Japan, Thailand and Taiwan. The increase in travel reflects, firstly revenge travel following three years of pandemic restrictions and the fact that people no longer fear catching Covid-19 while travelling; and secondly change in lifestyle habits as health and leisure or quality of life are prioritised. This has been exacerbated by the continuing strength of the USD and hence HKD against a basket of currencies, notably the Japanese Yen, which has fallen from JPY1:HK$0.06 to JPY1:HK$0.05 between December 2022 to April 2024. The longer the holiday, the more the outbound travel.

The impact on Sa Sa's business is threefold, the local residents are physically not present to shop during holidays, more of their disposable income is allocated to travel and after visiting destinations such as Japan and Korea, they are likely to have stocked up on beauty products before returning.

Hong Kong's integration into the GBA took another step forward as the Group saw a significant increase in local residents tripping to Mainland China

The sluggish local economy coupled with the underperformance of Hong Kong's equity and real estate markets, has had a negative impact on consumers' purchasing power, resulting in a shift in shopping habits.

A new trend emerged during early 2023 of local residents choosing to travel across the boundary to Shenzhen during weekends and public holidays as value for money, quality of service and availability of choice became the new buzz words. Soon after, the trend accelerated with the emergence in popularity of a US warehouse club retail store in Shenzhen as a must-go destination as Hong Kong people were introduced to the warehouse retail format. Another US warehouse chain opened in Shenzhen in January 2024 providing an alternative choice just across the border in Futian. For those who don't want to make the trip, daigou direct delivery to your home in Hong Kong is also a popular choice and essentially no different from ordering online from local Hong Kong retailers. The US warehouse chain announced in May 2024 that it will soon offer online shopping in Hong Kong and free delivery for orders over RMB599. Destinations have spread across and deeper into the GBA as local residents seek new experiences and are more willing to step outside of their comfort zone.

Previously nearly all planned travel but now unplanned travel is becoming as common, as local residents living in the northern districts find it quicker to travel for a dinner in Shenzhen on a weekday after work than to go to a local hub such as Mongkok or Causeway Bay.

While northbound spending appears to be concentrated on food and beverage, groceries and leisure, and not beauty products, the impact on the Group's business is that local shoppers with disposable incomes are physically not present during weekends and public holidays, and more of their disposable income is allocated elsewhere. From 3.6 million Hong Kong residents' departures to Mainland China in February 2023, the number has grown 157.5% to 9.3 million during Easter 2024. Putting this into context, although there were 0.75 million visitors to Hong Kong during the four-day February 2024 Lunar New Year holiday, there were 1.16 million local resident departures to Mainland China during the same period.

Consumer lifestyle changes have seen increasingly more local residents working from home and staying home early

Changes in consumer lifestyle post-covid have posed further challenges. The increasing prominence of working from home not only has put pressure on commercial rent occupancy and rates but has reduced lunch time traffic in traditional Central Business District (CBD) hubs. In addition, the average Hong Kong consumer now either stays at home or returns home much earlier after work prompting the Hong Kong SAR government efforts to spur the night-time economy, which has yet to deliver tangible results.

Shortage of labour and high rental and other operating costs providing challenges to local retailers

The shortage of labour that has hit retail and, in particular Food & Beverage, hard. This has in turn affected service levels and the ability to accommodate diners at night. The Hong Kong SAR government launched the Supplementary Labour Scheme in June 2023 with the intention of importing labour from Mainland China. While helping to solve the headcount issue, it does not help to save costs. A major challenge under this scheme is that the employer has to pay a locally competitive salary and provide adequate accommodation in Hong Kong significantly adding to its cost. Businesses will need to manage cost inflation pressures and the shortage of labour to deliver profitable performance.

Mainland China

Macro-economic challenges in Mainland China impacting propensity to spend

With continued geopolitical tensions and Western countries seeking to reduce reliance on Mainland China, foreign direct investment and exports continue to be pressured. Economic growth has been challenging as China continues to steer towards domestic consumption led growth, which contributed 82% to the GDP growth rate in 2023.

The property sector has been hit hard with loan defaults while equity markets remain depressed. On the back of these economic uncertainties and youth unemployment remaining high, there has been a reluctance to spend and a rise in consumer household savings to record highs. Mainland Chinese consumers are placing greater emphasis on the functionality of goods rather than big name brands, as value-for-money becomes more important.

Government of China disclosed that among the 31 provincial-level economies, 17 failed to meet their GDP targets for 2023. Looking ahead to 2024, the GDP target is approximately 5% with growth targets for almost all regions set lower than or on par with last year, indicating a conservative outlook.

Mainland China's retail sales rose by 7.2% during 2023, and within that medicine and beauty grew 5.1%. For the three-months ended 31 March 2024, retail sales grew 4.7% while medicine and beauty 3.4% indicating a tougher condition. For the May 2024 Golden Week holiday, estimates suggest 295 million domestic travel traffic, a year-on-year increase of 7.6%.

The Central Government continues to announce policy measures to support domestic consumption in 2024 with consumer and business confidence rebuilding over time.

Southeast Asia

The broader Southeast Asian economy is seeing moderate growth, impacted by macro challenges including inflation, weaker currency against US dollar and elections, while some countries such as Malaysia, are facing a cost-of-living-crisis, spillover disruption from Middle East conflict and policy headwinds e.g. goods and services tax.

Malaysia's economy grew 3.7% in 2023 while consumer price index declined 1.6% during the same period. Projections for Malaysia's GDP growth in 2024 of approximately 4-5% towards optimism was led by resilient domestic spending and improved external demand.

The Singapore retail market experienced growth of 4.0% for the first eight months ended 31 August 2023 and then began to face headwinds, primarily due to the increase in outbound travel by locals across the border to Malaysia, during holidays.

Business Overview

Retail Network

Adapting to a new norm and focusing on serving local consumers while staying agile to seize opportunities when a further spike in tourism occurs

The Group is actively seeking to expand its store network in Hong Kong and across the region so long as the economics make sense, including reasonable rentals that will support a reasonable profit margin. The Group is taking steps to further integrate its online channels and capabilities with offline stores providing a seamless online-merge-offline ("OMO") shopping experience and meeting its customers wherever they choose to appear.

In Hong Kong, the Group is actively looking at gaps in non-tourist areas to better serve local consumers and at prime tourist locations that supplement its existing coverage, subject to the further step up in inbound tourism. As at 31 March 2024, the Group had a total of 26 stores located in core tourist areas in Hong Kong and Macau (pre-pandemic period: 45 stores).

For Macau, the existing portfolio of nine stores is sufficient for that market under current circumstances, while in Mainland China, the Group is consolidating its position before making further moves.

In Southeast Asia, the Group is looking primarily at high traffic malls in Malaysia and Singapore. In Malaysia, the Group improved its overall portfolio by opening two stores during the Financial Year in new and trending high traffic malls while vacating four stores with lower contribution. The Group was delighted to re-establish a physical presence in Singapore by opening its first store in December 2023, with four additional stores in the first quarter of Financial Year 2024/25 setting the foundations for its continued growth in this region.

Comprehensive store upgrade elevates shopping experience and provides platform to showcase brands and emerging product categories

The Group has been actively reviewing the current portfolio of properties to upgrade the concept and décor to elevate the shopping experience. As part of the latest designs, where possible, large LED screens, are placed at store front to provide a prestigious medium to feature partner brands. The latest décor includes dedicated space for men's category, inner beauty and beauty equipment, and allow them to be duly explored by consumers.

A total of 19 stores were upgraded to the Group's latest design during the Financial Year (2023: 23) and while the upgrade impacted the normal operation of the stores, it resulted in positive sales post re-opening.

Furthermore, the Group launched an exclusive shop-in-shop in July 2023 at Sa Sa's upgraded flagship store in Causeway Bay, Hong Kong, and also for Dr. G in Sunway Velocity Mall, Kuala Lumpur, Malaysia.

Online Channels

One of the three key prongs to the Group's strategic framework is to invest in and develop its online business in Hong Kong, Mainland China and Southeast Asia. The Group continues to focus on delivering operational excellence in its online businesses and integrating online with offline to provide comprehensive OMO experience to create seamless OMO shopping experiences.

Investing in live-commerce to reach a younger demographic and provide an alternate scalable sales channel

The Group continues to invest in improving customer experience and is making traction with its 'live-commerce' model that has been refined to expand reach and conversion. The online beauty market is saturated and filled with a multitude of brands vying for the attention and loyalty of consumers. Consumers are increasingly demanding and are more digitally-savvy than ever.

Consumers are also reliant on KOLs who they follow for product recommendations and are more willing to try out emerging and trendy brands that offer functional benefits. This development in consumer behaviour bodes well for the Group's product strategy.

By bringing Sa Sa's signature beauty consultant online in collaboration with KOLs via live-commerce, the Group has successfully promoted and garnered interest in exclusive brands in the online marketplace.

Category Management

Excite our consumers through diversified product offerings and strategic brand partnerships

The Group continued to invest in the category extension strategy, explore potential categories, meet market trends and customer needs, and strive to bring more product choices to consumers. Aside from our core categories of skincare, make-up, and fragrance, the Group is beginning to grow additional categories including inner beauty and beauty equipment. Adding to the portfolio, the Group now carries 127 and 39 brands for inner beauty and beauty equipment respectively. Designated beauty equipment display furniture with electricity supply to aid trial has been added to our latest store design.

With the proliferation of the availability of information and social media, consumers are becoming more educated and astute in their consumption, dedicating more time to studying product ingredients, efficacy, and user reviews. Assessing whether products align with their social values, they consider whether ingredients and packaging adhere to environmental sustainability principles or whether the product is cruelty-free and free from toxic chemicals.

Sa Sa has established dedicated "Clean Beauty" displays to enable customers to conveniently access a range of zero-pollution personal care offerings. Sa Sa obtained the "Platinum Class Award Certificate and Microbead Phraseout Award – Pioneer Award", while many of its exclusive brands were also awarded "Microbead-free Brand Certificate" from the Environmental Protection Department of Hong Kong, underscoring the Group's unwavering support for the sustainable development of the green beauty industry.

The Group's dedicated Category Management and Product Development team consistently introduces new brands to suit consumer preferences and keep pace with the current trends. The Group strategically brought in popular new brands from different countries to expand its portfolio of exclusive brands. This approach aims to cultivate customer loyalty by optimising and enhancing the diversity of the Group's exclusive brand offerings and positioning Sa Sa as the place to go to "make yourselves beautiful". New brands launched during the Financial Year include TRUU, Jensany, and BT-Lab.

Financial Performance Summary

Chart 4: Turnover by Market in FY2023/24

HK $ Million	Offline	Online	Turnover	Year-on-year change(%)	% to Group Turnover (%)
Hong Kong & Macau	$3,207.3	$202.4	$3,409.7	▲ 31.4%	78.1% (LY: 74.1%)
Mainland China	$166.2	$415.4	$581.6	▲ 9.7%	13.3% (LY: 15.2%)
Southeast Asia	$287.4	$78.4	$365.8	▼ 1.7%	8.4% (LY: 10.6%)
Others	–	$10.4	$10.4	▲ 126.1%	0.2% (LY: 0.1%)
Total	$3,660.9	$706.6	$4,367.5	▲ 24.8%	100.0%

Chart 5: Breakdown of Offline Turnover (by Market)

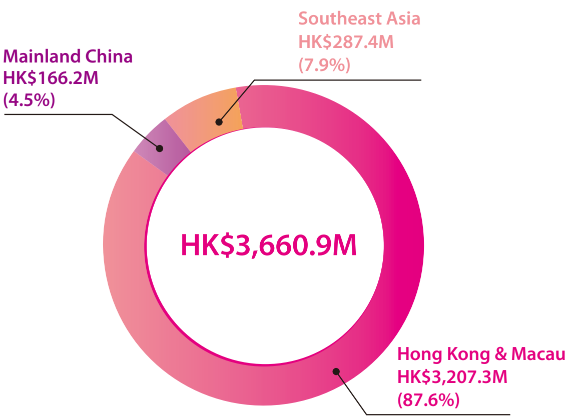
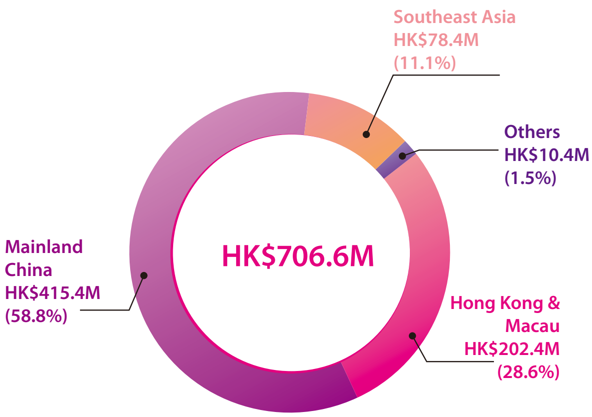


Chart 6: Breakdown of Online Turnover (by Market)



During the Financial Year, the Group recorded turnover of HK$4,367.5 million, representing an increase of 24.8% over the previous year largely attributable to the gradual return of tourism to our core markets of Hong Kong and Macau since January 2023.

Offline retail sales and wholesales ("Offline Sales") in Hong Kong and Macau increased by 35.1% to HK$3,207.3 million, Offline Sales in Mainland China decreased by 22.9% (in local currency) to HK$166.2 million while operating five fewer stores, while for Southeast Asia, Offline Sales stayed relatively flat at a marginal decline of 0.3% (in original currency) to HK$287.4 million. The Group operated a total of 183 retail outlets across all regions as at 31 March 2024.

The Group's online business turnover increased by 17.4% to HK$706.6 million for the Financial Year while contribution to the Group's total turnover decreased from 17.2% in the previous year to 16.2% for the Financial Year. This resulted from a shift back to offline post pandemic and the return of tourism after the opening of boundaries that has resulted in a significant increase in the Group's Offline Sales. Online sales mix in Mainland China remains high at 71.4% accounting for 58.8% of the Group's total online sales. While Mainland China's online market is highly competitive, it remains a key focal point for the Group and the Group is cautiously optimistic over the future growth once the economy begins to improve further. Looking ahead, the Group will look to introduce exclusive brands via livestream platforms in Mainland China which will improve the Group's gross margin profile.

The Group's gross profit for the Financial Year increased by 27.3% to HK$1,783.4 million at a gross profit margin of 40.8%, while offline retail gross margin increased 1.5 percentage points to 45.2%. This represents a significant improvement of HK$382.0 million in gross profit and an increase of 0.8 percentage points in gross profit margin compared with the previous year, driven by an increase in sales and more importantly an increase in sales mix of exclusive brands as the Group's strategies take effect. As a percentage of turnover, selling and distribution costs and administrative expenses decreased significantly from 34.9% to 29.8% and from 7.0% to 5.2%, respectively.

Driven by effective cost and expenses management, the Group recorded a pre-tax profit of HK$266.7 million, a significant improvement of HK$281.1 million (2023: a pre-tax loss of HK$14.4 million). This led to profit for the Financial Year improved HK$160.6 million to HK$218.9 million, which favourably to the profit for the previous year of HK$58.2 million. Adjusted profit for the year recorded HK$218.0 million, achieved a respectable turnaround from the adjusted loss for the previous year was HK$54.6 million after excluding deferred tax credit in relation to tax losses not previously recognised of HK$80.6 million, the subsidies for Covid-19 pandemic by local government temporary rental concessions and the accrued past service costs due to the change in the offsetting arrangement under the mandatory provident fund.

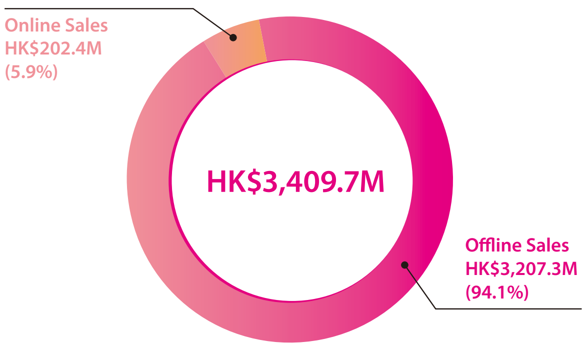
The Group's total net cash balance at 31 March 2024 was HK$457.8 million (2023: HK$273.3 million) and is adequate for the Group's needs. Net cash generated from operating activities (less the payment of lease liabilities and interest) for the Financial Year was HK$253.6 million. After investing in inventory to cater for the seasonality impact of pre-stocking before Christmas peak season and in double-eleven online sales event, the Group managed inventory back down to lower levels by the year end. Investment in capex was HK$68.6 million mainly for the opening of eight new stores and upgrade of a further 19 stores across all our markets.

Basic earnings per share amounted to 7.1 HK cents (2023: basic earnings per share of 1.9 HK cents). Given the Group has returned operations to a solid footing and profitability, the Board resolved to pay a final dividend for the year of 5.0 cents per share (2023: Nil) representing approximately 70% of the profit for the year. The Group will seek to maintain a steady dividend policy going forwards.

1. Hong Kong & Macau

+31.4% Turnover growth to HK$3,409.7 million driven by local resident VIP loyalty and tourism

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



This year marks the first full Financial Year post-pandemic and a return to normalcy. As the largest market for the Group, Hong Kong and Macau saw significant sales growth on the back of tourism, exhibitions, and consumption-boosting campaigns, as well as the loyalty of VIP customers. The Group has been enhancing operational efficiency in existing stores while exploring market gaps to expand the offline network. Efforts were made to strengthen the brand's product lineup and introduce various promotional activities to be ahead of the pack.

Total Online and Offline Sales in Hong Kong and Macau amounted to HK$3,409.7 million accounting for 78.1% of total Group sales and growing at 31.4% for the Financial Year. Within this, Offline sales in Hong Kong and Macau grew at 35.1%. Profit for the year in Hong Kong and Macau was HK$233.8 million, a significant increase of 110.7% from HK$111.0 million last year.

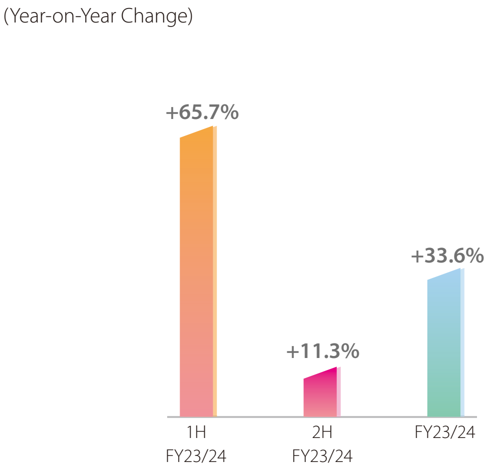
The Group's Offline Sales in Hong Kong and Macau has recovered to 45.2% despite operating 36 or 30.5% fewer stores. This reflects a much higher operating effectiveness.

Approximately 37.1% and 78.9% of the Group's sales in Hong Kong and Macau, respectively were from tourists. On a combined basis 48.4% of the Group's Offline Sales were from tourists compared to approximately 74% pre-pandemic period.

Online sales in Hong Kong and Macau amounted to HK$202.4 million, or approximately 5.9% of total sales. The year-on-year decrease of 8.3% in online sales reflects a marginal swing to Offline Sales following the removal of Covid-19 related social distancing measures.

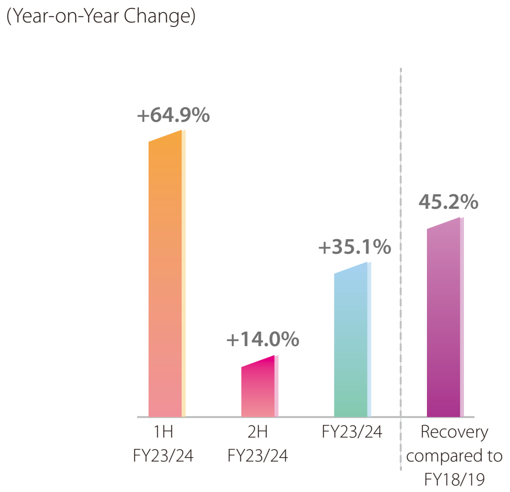
Offline Sales – Hong Kong and Macau

Chart 8: Same-store Sales Growth



Note: 1H: Apr – Sept; 2H: Oct – Mar

Chart 9: Offline Sales Performance



Benefiting from a return of tourism following the re-opening of boundaries between Hong Kong and Macau, and Mainland China, Offline Sales recorded YoY growth of 35.1%

Both same-store sales growth ("SSG") and Offline Sales grew by a respectable solid double digits at 33.6% and 35.1% respectively for the full Financial Year. Due to a high base in the fourth quarter of the previous year from January 2023 to March 2023 when the boundaries with Mainland China just opened and there was revenge consumption, the observed growth in the second half of this year decreased to mid double digit from a high double digit in the first half. Fourth quarter sales in the Financial Year was also impacted by local resident departures to Mainland China and reduced Mainland Chinese tourist numbers post Chinese New Year 2024. These trends are explained in more detail below.

In light of these challenges, the Group focused on cultivating its brand portfolio, investing in exclusive brands and in the quality of customer service through the Group's unique professional beauty consultants, to increase customer loyalty and repeat purchase rates. 52.9% of Offline Sales in Hong Kong and Macau was attributable to VIP members. The stickiness of the Group's loyalty programme, particularly in respect of local consumers, executed by the Group's team of professional in-store beauty consultants is one of the core reasons the Group can deliver same store sales growth and overall sales growth from fewer stores.

This strategy aims to provide much more attractive unit economics to enhance the profitability of product assortments and cultivate exclusive brands for sustainable business growth to make Sa Sa the go-to destination for purchasing high-quality beauty products.

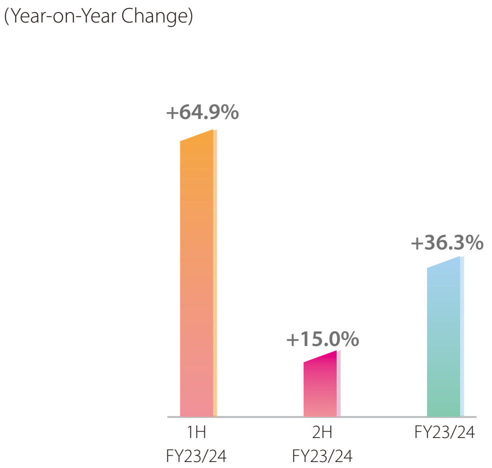
Number of stores

Market	As at 31 Mar 2023	Opened	Closed	As at 31 Mar 2024
Hong Kong & Macau	79	5	2	82

The Group operated 82 stores in Hong Kong & Macau as at 31 March 2024. In Hong Kong, to capitalise on the recovery in the retail industry and the return of tourists the Group opened five new stores during the Financial Year, with two in the core tourist district, Tsim Sha Tsui, one in Central CBD, and two in new shopping malls/apartment complexes in local districts. In Macau, the Group operates nine stores in Macau, four on the high street near major tourist attractions, three within hotel resort complex and two in local areas. These are of a larger format allowing for a larger handling capacity. A further ten stores were upgraded to the latest store design, giving a total of 51 stores adopting latest store design. The offline store network strategy is further illustrated on P.34.

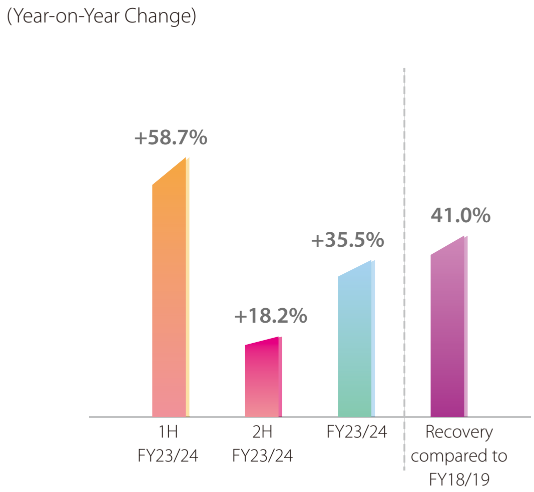
Hong Kong

Chart 10: Same Store Sales Growth



Note: 1H: Apr – Sept; 2H: Oct – Mar

Chart 11: Offline Sales Performance



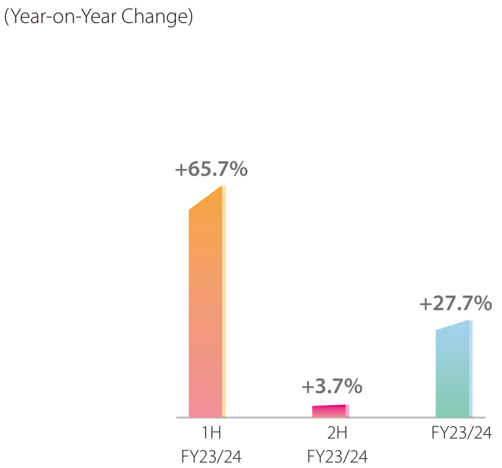
Increase in tourism fuelling sales growth in Hong Kong, particularly during the first nine-months of the Financial Year

When the boundary first opened the Group experienced approximately four months of revenge spending up to the end of Golden week in May 2023 when conversion of tourist visitors to consumer was double-digit. That conversion has since settled at mid-single digit while basket size has stayed fairly stable and similar to pre-covid levels. This is strong evidence that the Group remains relevant and has a role to play for Mainland Chinese consumers in their beauty spending.

The key driver for an increase in tourist sales is the number of tourists entering Hong Kong from Mainland China. Accordingly, The Group fully supports the Hong Kong SAR government's strategy to accelerate the step up in hosting of major sporting events and exhibitions to attract visitors.

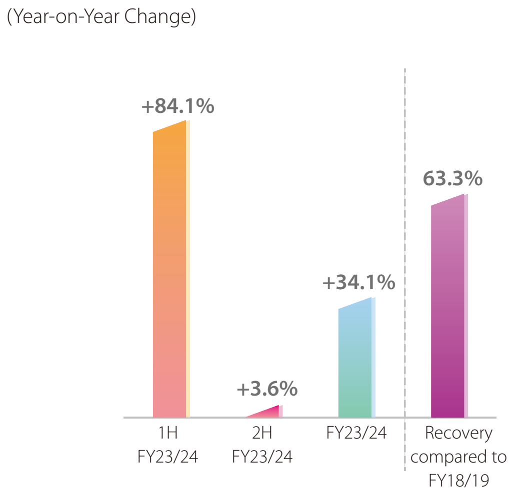
Macau

Chart 12: Same-store Sales Growth



Note: 1H: Apr – Sept; 2H: Oct – Mar

Chart 13: Offline Sales Performance



Recovery in tourist numbers and gaming revenues while retail has been more challenged
Following the boundary with Mainland China re-opening, the Group experienced several months of revenge spending from Mainland China tourists that exceeded that in Hong Kong, with government data showing inbound traffic from Mainland China reaching 1.5 million or 79.2% of pre-Covid-19 travel in May 2023. During the first seven days of Lunar New Year holiday (10-17 February 2024), inbound tourist numbers had exceeded by pre-pandemic levels 0.2 million while data issued by Macao Gaming and Inspection Bureau indicated gaming revenue had also recovered to 75% of pre-pandemic levels by the fourth quarter of calendar year 2023.

Retail recovery has been more challenged. After a period of revenge spending up to May 2023 Golden week, tourist sales conversion has settled down at mid-single digit and a little higher than Hong Kong but approximately one-third of pre-pandemic levels, while average basket size is similar.

Online Sales – Hong Kong and Macau

Sa Sa Online Penetration in Hong Kong and Macau increased from 0.1% pre-pandemic to 5.9%
Hong Kong and Macau online sales accounted for 28.6% of the Group's total online sales. Online sales decreased 8.3% to HK$202.4 million (2023: HK$220.7 million) with sales mix falling to 5.9% reflecting a swing to physical stores post pandemic. VIP members accounted for 54.8% of total online sales, growing 2.3% year-on-year.

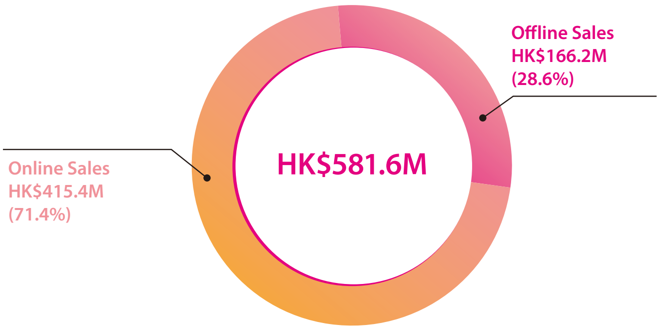
Online penetration in Hong Kong and Macau is predominantly through the Group's own channel 'HK eShop' that is accessible on mobile app and website at https://www.sasa.com.hk/. The Group is also present on major local third-party platforms such as HKTV Mall. The Sa Sa e-shop carries a wide range of brands and products, including exclusive online products, comprehensive product descriptions and user generated content. The e-shop also accepts all major forms of digital payment and offers a variety of delivery options including pickup from the store.

"Buy Online Pick-up In-Store" continues to be a popular consumer choice, creating a seamless OMO integrated experience
The pandemic accelerated digital transformation with e-commerce and digital payments some of the beneficiaries, and the emergence of the "gig economy" as B2C companies attempt to resolve the last mile. The Group's online penetration has improved since pre-pandemic period, while "Buy Online Pick-up In-Store" ("BOPIS") has proved to be a popular route-to-consumer where customers can also experience the comprehensive services provided by our professional beauty consultants when they pick-up the products in person, a seamless OMO experience. The Group's large portfolio of stores located in or near people hubs make it an extremely convenient location for pick-up and while they are not purely pick-up stations, consumers can also enjoy store exploration. The Group has innovated new packaging that significantly reduces both its carbon footprint and the size of packaging for pick-up in store. In doing so, it reduced the in-store space required to hold packages and thus increased the capacity to provide this service.

Traction with live-commerce model innovation, delivering tangible results for exclusive brand sales reach
The group has hosted 40 sessions of live-commerce during the Financial Year and started to deliver tangible results, accounted for 9% of total online sales in Hong Kong and Macau during the Financial Year.

2. Mainland China

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



During the Financial Year, the Group's turnover in Mainland China was HK$581.6 million, a 9.7% marginal increase compared with the previous financial year in which online sales played a prominent role accounting for 71.4% of the total sales and is now overwhelmingly the Group's dominant sales channel in this region. This is consistent with the digitally native Mainland China. Accordingly, the Group's loss narrowed significantly to HK$17.1 million for the Financial Year from HK$70.5 million in the previous year. Mainland China continues to be one of the Group's core focus markets.

Offline Sales – Mainland China

Number of stores

Market	As at 31 Mar 2023	Opened	Closed	**As at 31 Mar 2024**
Mainland China	37	–	5	**32**

Challenges in the recovery of Mainland China economy continues to impact Offline Sales while the Group maintains financial discipline to enhance operational efficiency

The economic recovery in Mainland China over the past financial year has been slower than anticipated with consumers leaning towards cautious spending and holding onto cash to address future uncertainties.

Under these circumstances, the Group focused on enhancing operational efficiency by reducing inventory, closing underperforming physical stores, and optimising operational processes through digital management systems. These measures minimise the loss and cash outflow while laying a solid foundation for future growth when economic conditions allow.

Operating five or 13.5% fewer offline stores compared to the last financial year, Offline Sales decreased 22.9% (in local currency) to HK$166.2 million. The Group has managed to recover to 61.7% of pre-pandemic levels despite operating 22 or 40.7% fewer stores. The Group is diligently stabilising its existing store portfolio, channelling efforts towards optimising operational effectiveness while economic conditions remain challenging.

Leveraging on the trend for Mainland China consumers' willingness to trial niche brands, the Group plans to grow its portfolio of exclusive brands. The Group obtained the product registration and launched Korean brand, Eoyunggam, in the market, during the Financial Year. The Group demonstrated the functionality and benefits of these products to customers through a range of exclusive offline experiences including skin analysis, mini-spa, and consultation services, resulting in favourable responses.

During the Financial Year, the Group recorded approximately 5.4% increase in sales mix of exclusive brands to 43.1%, which contributed to an improvement in the Group in this market.

Online Sales – Mainland China

Chart 15: Offline Average Ticket Size (ATS)

HK$433 ▲ **6.1%**

(In local currency)

Chart 16: No. of Third Party Online Platforms

5

LY : 5

Online remains the predominant sales channel in a digitally native Mainland China with Sa Sa's reputation for Quality and Genuine products helping it to grow 36.3% in a crowded market

The Group's online sales in Mainland China are largely 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 substantial increase of 36.3% to HK$415.4 million for the Financial Year, representing 58.8% of the Group's total online sales.

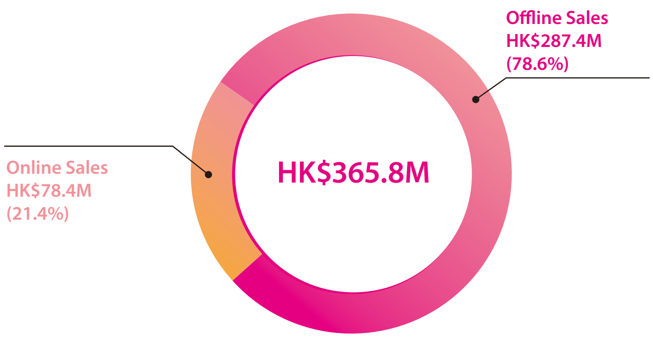
The Group has bolstered its presence on various online social platforms, particularly Xiaohongshu, to position Sa Sa as a trusted one-stop destination for genuine beauty and skincare products, catering to customers seeking trending items. Capitalising on the restoration of cross-boundary logistics into Mainland China during the Financial Year, the Group has proactively re-introduced product categories halted during the Covid-19, such as fragrance, and re-engaged with customers. In addition, as Mainland China tourism continues to recover, the Group is able to tap into Mainland tourists returning to Mainland China after visiting the Group's Hong Kong and Macau offline stores.

The Group's online operations in Mainland China recorded a profit for the Financial Year, representing a significant milestone and turnaround from loss in the previous year.

3. Southeast Asia

During the Financial Year, the Group recorded total turnover of HK$365.8 million in Southeast Asia, marking a 1.7% marginal decrease against the previous year. Within this, Offline Sales contributed HK$287.4 million or 78.6% of the total sales for this region. The Group's operations in Southeast Asia have been impacted by the cost-of-living challenges. However, measures taken improved performance in the second half, with profit growing from HK$1.2 million in the first half to HK$3.8 million in the second half giving a profit of HK$5.0 million for the Financial Year.

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



Offline Sales – Southeast Asia

Number of stores

Market	As at 31 Mar 2023	Opened	Closed	As at 31 Mar 2024
Southeast Asia	70	3	4	**69**

Chart 18: Same-store Sales Growth*^

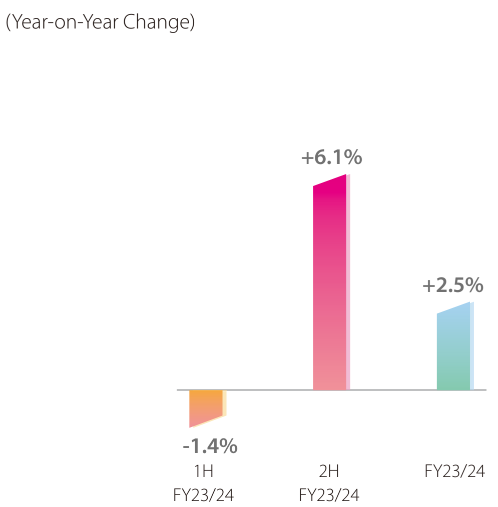
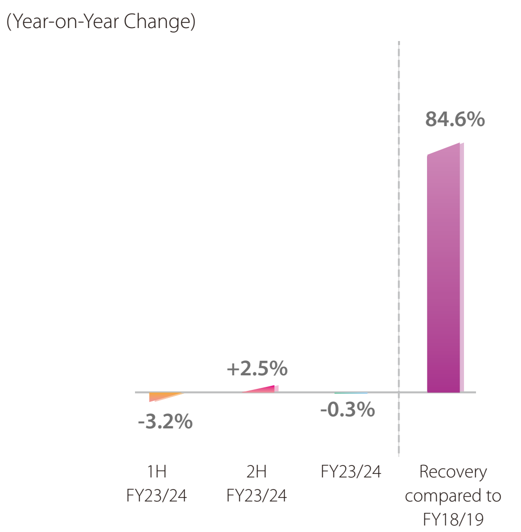


Chart 19: Offline Sales Performance*^



* In local currency ^ refer to Malaysia only

Note: 1H: Apr – Sept; 2H: Oct – Mar

The Group's offline presence in Southeast Asia is through a network of 68 stores in Malaysia and one in Singapore. As part of the Group's ambitions for the Southeast Asia market, it re-entered the Singapore market with its first store in December 2023 adopting an asset-light approach aimed at achieving quicker returns on investment and enhanced operational efficiency by managing out of the Group's regional office in Kuala Lumpur, Malaysia.

Overcoming cost-of-living crisis in Malaysia delivering +6.1% SSG and +2.5% overall sales growth in 2H boding well for the new financial year

Affected by the cost-of-living crisis in Malaysia, Offline Sales in Southeast Asia essentially stayed flat at HK$287.4 million for the Financial Year, while SSG came back strongly in the second half growing 6.1% and contributing to a full year SSG of 2.5%. The negative currency impact from FX headwinds stripped 0.3% of the region's contribution to the Group's Offline Sales on consolidation. Offline Sales in Malaysia has now recovered to 84.6% of pre-pandemic levels.

Investing in brands and collaborating with brand partners to deliver innovative consumer engagement programmes

The business unit actively embraced the Group's brand-building ethos by engaging in collaborations with brand partners. Key initiatives during the Financial Year included the introduction of a Dr.G shop-in-shop concept. And, fragrance launch events for Mercedes Benz and TOUS at prominent malls. Major out-of-store sampling programme were held for the Eoyunggam and Cell Fusion C skincare brands, and innovative initiatives such as the Dr.G Hydra Travel Aqua Kit Vending Machine and the Sa Sa TikTok Shop Launch, further highlighted the Group's commitment to engaging customers and exploring new channels.

Online Sales – Southeast Asia

Our online presence in the region is mainly through two third-party platforms, Shopee and Lazada, reaching Singapore, Malaysia, the Philippines and Thailand. The Group had been consistently ranked number one on both platforms in Singapore and Malaysia among cross-border merchants in the beauty and health category. During the Financial Year, the Group launched in Thailand via Shopee and also added Zalora in Singapore. Total online sales in Southeast Asia amounted to HK$78.4 million for the Financial Year growing at 8.9%.

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 website, and are currently at an exploratory stage.

Future Outlook

Sustainable profits and long-term growth

The Group focuses on achieving sustainable profit particularly given the macroeconomic uncertainties leading to increased cost of living in the region and challenges to the retail operating environment.

The Group remains steadfast on initiatives to improve operational efficiency including acceleration of digitalisation, optimising people structures and processes, and strictly adopting zero-based budgeting. The implementation of operational digitalisation measures has led to a substantial improvement in store performance across regions. These initiatives enhance the Group's competitiveness and resilience, and ability to be sustainable during unexpected headwinds. This operating and financial discipline not only significantly lowered the breakeven point, but on the upside enables the Group to earn higher margin with sales growth.

The Group will look to continue to drive margin growth across all retail channels though its portfolio of exclusive brands. The Group will invest in building its exclusive brands to support this strategy.

The Group will also look at raising return on investment and reducing working capital invested mainly through the management of inventory, by reducing inventory turnover days and reducing the need for discounts to deplete inventory.

Given the weighting of sales to Mainland China consumers either directly in their home market or indirectly through tourism, the state of the China economy, disposable incomes and propensity to spend have a significant impact on the Group's performance. Mainland China's GDP is forecast to be 5% for 2024, and as macroeconomic challenges ease, it is expected that the Group will benefit.

As at 31 March 2024, the Group's net cash (after deducting utilised bank borrowings) increased by HK$184.5 million to HK$457.8 million. With further unutilised banking facilities of approximately HK$267.4 million, the Group has adequate funding for its operating needs.

FY2024/25 Q1 Sales Data

For the first quarter from 1 April to 16 June 2024 ("the Post Year-end Period"), the Group's total turnover decreased by 9.5% compared to last financial year. Online and Offline Sales, as well as year-on-year changes of turnover of different regions are shown in the table below:

HK$ Million	**Offline**	**Online**	**Turnover**	**Year-on-year change (%)**	**% of Group Turnover (%)**
HK & Macau	$540.4	$38.3	$578.7	▼ 21.8%	71.3%
Mainland China	$24.2	$128.1	$152.3	▲ 83.9%	18.7%
Southeast Asia	$65.7	$14.0	$79.7	▲ 9.0%	9.8%
Others	–	$1.8	$1.8	▼ 11.9%	0.2%
Total	$630.3	$182.2	$812.5	▼ 9.5%	100.0%

In Hong Kong and Macau, the Group's recovery has been interrupted by continued northbound travel to Southern China during weekends and a long Easter holiday that stretched over 9 days where local residents either took short a trip to neighbouring Korea and Japan, or long-haul trips to Europe and afar. As the date of this report, Hong Kong SAR Government statistics disclosed that retail sales fell 14.7% in April 2024. Retail sales data for Macau for the Post Year-end Period and, for May 2024 in Hong Kong have not yet been released.

Ordinarily inbound travel would be able to more than cover the gap created by northbound travel. However, outbound travel for local Hong Kong residents during the 3-day Tuen Ng Festival between 8th and 10th June totalled 1.17 million, while inbound Mainland tourists during the same period totalled only 0.33 million. While there was a year-on-year marginal increase in inbound tourists of approximately 10% over the 3-day holiday, the consumption power was reduced, and the growth in local outbound travel has been much more pronounced with an increase of approximately 60%. Accordingly, the Group's sales in the core market of Hong Kong and Macau during the Post Year-end Period decreased 21.8% year-on-year to HK$578.7 million.

Tourist sales mix in Hong Kong and Macau during the Post Year-end Period was 46.9% compared with 48.4% during the Financial Year and 74% during the pre-pandemic period.

While northbound travel numbers appear to have settled down at current levels and has become part of the norm, inbound travel numbers is highly dependent on policy stance and visa approvals. Future growth in this market is dependent on an increase in tourist arrivals from Mainland China, and this is dependent upon government policy stance both in terms of tax-free spending per visit and multiple-entry visa's.

On a bright note, the Group's sales in Mainland China grew impressively by 83.9% to HK$152.3 million during the Post Year-end Period, continuing on from the second half of the financial year and driven by online channels. While the offline channel continues to be challenging, strong growth in online sales channels continued to drive total sales growth and is expected to continue on this trajectory. The Group is exploring further offline sales channels in this market to supplement its presence.

Sales performance for the Post Year-end Period has remained steady in Malaysia despite the continued cost of living challenges. However, following the Group's re-entry to Singapore and addition of four stores taking the total to five stores by May 2024, sales growth in Southeast Asia reached approximately 20% by June 2024 giving growth of 9.0% for the Post Year-end Period.

Incorporating the above performance across all markets, the Group minimised the impact in its core market of Hong Kong and Macau with total sales declining 9.5% year-on-year.

Hong Kong and Macau Strategy

Policy change to drive further tourism led sales growth

The Group's core markets remain Hong Kong and Macau serving both local residents and Mainland Chinese consumers through offline channels. While these economies have emerged from the pandemic, macroeconomic challenges and lifestyle changes have somewhat dragged back the recovery.

In a bid to invigorate the economy, Hong Kong SAR government is making efforts to attract large-scale business exhibitions to bolster tourist arrivals. Similarly, Macau SAR government is committed to securing notable business exhibitions and collaborating with the entertainment and cultural sectors to host festive events. These endeavours aim to entice visitors and prolong their stay, enriching the overall experience. The Group anticipates these measures will contribute to a gradual improvement in consumption within the retail and tourism sectors.

The Group's tourist sales mix in Hong Kong and Macau during the Financial Year was 37.1% and 78.9%, respectively, or 48.4% on a combined basis. The conversion rate of inbound Mainland China tourist to paying consumer and the average transaction size has been relatively stable.

Mainland China tourist traffic is concentrated in core tourist areas of Tsimshatsui, Causeway Bay and Mongkok as well as cross-boundary travel hubs at West Kowloon. The Group currently has 26 stores (pre-pandemic period: 45 stores) in core tourist areas in Hong Kong and Macau.

The core barrier to increasing Mainland Chinese tourist sales is the ease of obtaining a visa for travel and the tax-free allowance per visit. Visitors from Mainland China are subject to a tax-free shopping allowance of RMB5,000 that has been unchanged for almost three-decades. Strict adoption of this policy has essentially set a cap on average basket size.

Under the Individual Travel Scheme ("ITS") in Mainland China, permanent residents of certain cities in Mainland China are able to arrange their own visits to Hong Kong and Macau on application of a permit for a maximum stay of seven nights a time and two visits per year, while residents of cities outside the scheme must join a guided tour. ITS covers 51 cities including all 21 cities in Guangdong province and first tier cities such as Beijing and Shanghai. The addition of Xi'an and Qingdao to the ITS in March 2024 and a further 8 cities in May 2024 was much welcomed, however, these cities are not connected to Hong Kong via high-speed rail and may somewhat limit the travel numbers. Following the relaxation of visa requirements for Mainland Chinese to Singapore, Malaysia and Thailand, from February 2024, these destinations have jumped in popularity.

There has been strong lobbying by both Hong Kong SAR government and retailers for both policies to be reviewed. Further policy changes that would be commensurate with the times both in terms of tax-free spending allowance and visa free travel, would provide upside to tourist spending in Hong Kong and Macau. As the Mainland Chinese economy recovers and consumer spending power increases, it could provide further upside to conversion and average transaction size.

The Group has and will continue to adopt agile management practices including extending store opening hours, refreshing the product mix, flexibly adjusting frontline staff deployment and inventory to cope with sudden increases in demand from tourism. The Group maintains oversight on the availability of prime locations in core tourist areas and will consider new stores subject to an observed increase in tourist numbers.

Serving local community with greater accessibility to physical stores

The Group is actively looking at gaps in local areas to better serve local consumers and that supplements our existing coverage, contingent upon the availability of reasonable rental rates. Post year-end, the Group has already signed two new leases. The Group has a high agility to increase both its store network and inventory levels to meet the demand from inbound tourism with relatively short lead time. Accordingly, store portfolio expansion will occur gradually in line with the recovery in tourist numbers. The ability to manage inventory levels up and down to meet fluctuations in demand across the Group's portfolio of over 10,000 SKUs is one of its key competitive advantages. Retail rent remains probably the largest bottleneck to a vibrant retail scene in Hong Kong and the largest store expense. The Group is negotiating to reduce the ratio of rent to revenue for all renewals and leases.

In order for Hong Kong retail to be competitive in the region, particularly in light of new competition from across the boundary in the GBA, rental rates must come down. In recent months several notable retail brands have closed up shop. The message, although slow, appears to be getting through to both government and landlords as the Group sees landlords easing their stance on lease negotiations or having to face vacancies.

Concerted efforts among government, retailers, property owners, transport and industry at large will be needed to position Hong Kong for the future and increase its competitiveness in the region.

Growing inner beauty and beauty equipment categories to drive increase in average transaction size

Firstly, post pandemic consumers are much more health conscious and more likely to invest in a healthy lifestyle. Inner beauty fits into this trend. The Group has increased this category portfolio and carried 118 and 647 inner beauty brands and SKUs respectively as at 31 March 2024 (2023: 107 and 572).

Secondly, the Group has a right-to-win in beauty equipment. It provides a natural conversation for the Group's beauty consultants to recommend beauty equipment that is complimentary to the Group's skincare range. Customers can get the best out of skin care products by using the equipment and achieve beauty salon at home treatment. This also taps into current lifestyle changes with consumers choosing to stay at home.

The Group will continue to look to better serve local customers by optimising its product portfolio to address customer preferences and the latest market trends.

Embracing OMO by leveraging the Group's portfolio of well-placed stores while achieving ESG objectives and lowering carbon footprint in last mile delivery

Fostering the development of OMO is embedded within the Group's strategy. The Group will continue to promote and leverage the popularity of BOPIS, engage consumers with related promotions and build a holistic shopping experience. As far as BOPIS is concerned, the Group has innovated new packaging that will significantly reduce both the Group's carbon footprint and the size of packaging for pick-up in the store. In so doing, it will reduce the in-store space required to hold these packages and increase the capacity to provide this service. The Group will also continue to provide industry-leading training to frontline professional beauty consultants, strengthening the Group's competitive edge.

Revamping CRM technology and stepping up personalised member engagement

The Group has established a project team to enhance its Customer Relationship Management ("CRM") by integrating member pools from online and offline channels in Hong Kong and Macau as well as Mainland China. This will allow the Group to track consumer preferences and shopping behaviour, where permission is granted and in accordance with the law, through data collected. It will also allow the Group to leverage digital marketing tools to provide personalised recommendations and targeted marketing campaigns. These initiatives will enhance customer loyalty and repurchase rate to achieve higher returns on marketing investments. Through the data collected over time, the Group will enhance labelling and provide personalised product recommendations to further enhance customer experience. While this is in its infancy, the Group seeks to leverage to increase member activity and raise customer lifetime value. This is expected to be in place by the second half of the coming financial year.

Leveraging livestreaming to drive online sales of exclusive brand portfolio

The focus of the Group's online business has been to: (i) raise customer loyalty: significantly raising repeat purchase rate and active members; (ii) create an online community: promoting online user generated product reviews; (iii) promote exclusive brands: which can only be purchased from Sa Sa in the region; and (iv) accelerate OMO initiatives to leverage the offline store network and the customer base.

To cater for the trend of livestreaming in the region that tends to attract younger consumers, and following successful exploration the Financial Year, the Group will look to scale sales contribution of exclusive brands via this channel in the coming year.

Mainland China Strategy

Mainland China remains a core focus of the Group's long-term growth strategy. However, economic conditions remain challenging and despite forecast GDP of 5% for 2024, the outlook is varied for different industries. The Group is closely monitoring the market conditions to align its strategy and will manage its inventory in the region to enhance efficiencies and retain cashflow in the meantime.

Tapping into consumer trend with exclusive product portfolio and leveraging cross-border e-commerce to offer wider product range

In order to improve the Group's competitiveness in Mainland China, the Group will focus on exclusive brands and invest to increase the product assortment where it has the right to win, is able to build brand loyalty and can avoid direct price competition. This also leverages on the willingness of consumers to trial lesser-known brands that contain the sought after ingredients, deliver the required functionality and offer value-for-money.

To achieve this, the Group will invest in strengthening promotion on popular social media platforms and digital channels, enhancing brand image, and highlighting product features, collaborating with influencers to promote and increase brand awareness, and credibility among target consumers.

The integration of online and offline in the retail industry is accelerating, which presents opportunities. The Group focuses on advancing its OMO strategy integrating online platforms with the retail network to provide customers with an enhanced and seamless shopping experience. Given the product registration requirements in Mainland China, the ability to provide an extended 'aisle' and product range for shoppers in the Group's physical stores via the Group's cross-boundary WeChat ministore is an advantage. Accordingly, the Group will increase awareness of the Group's online channels in store, allow customers to browse product availability and order directly online with or without the assistance of the Group's in-store beauty consultants.

One of the Group's unique advantages is its team of trained professional beauty consultants that provides industry-leading services. The Group will continue to leverage WeChat Mini-programme to connect Sa Sa's beauty consultants with customers in Mainland China outside of the physical store setting. With the return of and gradual increase in Mainland tourists visiting Hong Kong and Macau, the Group is seeking to connect with these customers after they return to Mainland China to enable them to shop and purchase online.

Online led growth in competitive e-commerce marketplace

The Group made a breakthrough during the past financial year growing topline sales in Mainland China significantly despite tough market conditions. This growth was enabled by the Group's product sourcing ability and the reputation it has garnered over 46 years for authentic and quality products. The Group anticipates further growth in the coming year, riding on this capability and reputation.

The Group sees significant growth opportunities in online channels, particularly in respect of live-commerce and in Mainland China. The Group will focus on exploring these along with other distribution opportunities this coming year.

Southeast Asia Strategy

In addition to the one store opened in Singapore in December 2023, the Group opened four further stores in the first quarter of financial year 2024/25 taking the total to five stores, making its physical presence more apparent and complementing its online presence in the region. These stores will contribute almost a full year's performance to the financial year 2024/25. This is part of the Group's ambitions to diversify sales channels and grow in Southeast Asia in the longer term.

With offline operations in Malaysia improving and stabilising over the second half of last year, the Group is actively exploring opportunities for new store openings to enrich its store portfolio and fuel further growth.

The Malaysian economy has been grappling with certain macroeconomic challenges, notably a weakened Malaysia Ringgit. Consequently, Malaysian households have experienced a decrease in purchasing power due to higher monthly loan repayments, while a larger proportion of consumer spend has been taken-up by increased expenditures on transportation, housing, and utilities.

A major hurdle for the local economy is the escalating cost of living for consumers. To remain relevant, the Group will introduce new products and promotions to adapt to evolving market conditions and consumer preferences. Fragrance and make-up stand out as robust categories in Malaysia, prompting the Group to enhance its brand and product range in the upcoming financial year, particularly to bolster its exclusive brand collection in this market.

Looking ahead to the new financial year, the Group will maintain its focus on Shopee and Lazada online marketplaces to boost its revenue. Although the Group leads the market among cross-border merchants in the beauty and health sector in Singapore and Malaysia, there is still untapped potential in the Philippines, Thailand and the rest of Southeast Asia. Third-party platforms offer a significant advantage by driving traffic, capitalising on their popularity and reputation to maximise market exposure and broaden the customer base.

Despite intense price competition online, the Group aims to differentiate itself by enhancing service levels, offering personalised product selections through CRM, and strengthening brand relationships by cultivating a portfolio of exclusive brands and distinctive product offerings.

Other Jurisdictions Strategy

The Group leverages existing infrastructure and collaboration mainly with third-party e-commerce platforms to reach North America, Australia and New Zealand. The average order value for these jurisdictions tends to be much higher to cover the cost of delivery while customer loyalty is also proving to be sticky. Sales growth is expected to be steady yet marginally profitable.

Human Resources

As at 31 March 2024, the Group had approximately 2,700 employees. The Group's staff costs for the year under review were HK$689.6 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 2024.

Financial Review

Capital Resources and Liquidity

As at 31 March 2024, the Group's total equity amounted to HK$1,252.1 million including reserves of HK$941.8 million. The Group continued to maintain a strong financial position with working capital of HK$569.0 million that included net cash and bank balances of HK$457.8 million, while unutilised banking facilities were approximately HK$267.4 million giving total accessible funds of HK$725.2 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, United States dollar, Malaysian Ringgit, Renminbi and Macau Pataca, 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 2024 were HK$1,252.1 million, representing a 20.3% increase over the funds employed of HK$1,041.2 million as at 31 March 2023.

The gearing ratio, defined as the ratio of total borrowings to total equity, was zero as at 31 March 2024 (31 March 2023: 2.9%).

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$73.3 million (2023: HK$58.6 million), mainly for store upgrades to latest design and to upgrade the Group's tech stack. Management will continue to devote resources to strengthen our store image, improve consumer experience and raise operational efficiency.

Inventories

Group inventories were HK$705.3 million (2023: HK$669.5 million) while stock turnover days reduced by 16 days to 100 days through tightened inventory management practices.

Charge on Group Assets

As at 31 March 2024, land and buildings with carrying value amounting to HK$94.4 million (31 March 2023: HK$100.6 million) were pledged for banking facilities made available to the Group.

Contingent Liabilities

The Group had no significant contingent liability as at 31 March 2024.

Capital Commitments

As at 31 March 2024, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK$11.9 million.

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Our reputation for authentic and premium products, team of professional beauty consultants, and strong product-sourcing capability will see us standout amid the intensifying competition.

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 46 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 (subsector of Representatives of Hong Kong Members of Relevant National Organisations), 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, a council member of China Overseas Friendship Association, the Honorary President of Hong Kong Guangdong Chamber of Foreign Businessmen Association, and a member of Friends of Hong Kong Association. 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 – 2024) of the Community Chest of Hong Kong as well as Executive Committee Chairman (2014 – 2015, 2020 – 2022 and 2023 – 2024), a member of the Board of Directors (2009 – 2015, 2016 – 2022 and 2023 – 2024) 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 71 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 Honorable 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 70 years old.

Ms KWOK Sze Wai Melody, *MH, JP*[◊] Executive Director[§]

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).

◊ Since 1 July 2024

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. 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 46 years old.

Ms KWOK Sea Nga Kitty, Executive Director§

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, 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 4 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).

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 40 years old.

Mr HO Danny Wing Fi, Executive Director and Chief Financial Officer§^

Mr Ho is the executive director and Chief Financial Officer of the Company. He is also a member of the Executive Committee and member of the Risk Management Committee of the Company. Mr Ho joined the Group in April 2022. He has over 20 years of experience in local and overseas financial and general management, as well as consumer journey digitalisation. Mr Ho was named as one of Hong Kong's Top 10 Best Chief Financial Officers 2023 by CEO Insights Asia Magazine.

Prior to joining the Company, Mr Ho was the chief financial officer of UMP Healthcare Holdings Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong, where his primary focus was developing a digital first primary healthcare system in the Greater Bay Area. In 2012, Mr Ho joined Diageo plc ("Diageo"), a global leader in beverage alcohol listed on both the London Stock Exchange and the New York Stock Exchange. He was subsequently promoted to the CFO of Diageo's subsidiary, white spirits manufacturer and 'Shuijingfang' brand owner, Sichuan Swellfun Co., Ltd ("Swellfun"), a company listed on the Shanghai Stock Exchange, in 2014. Mr Ho was also a director of Swellfun between July 2016 and September 2020. During his six years of tenure at Swellfun, he led the digital transformation of the company and digitalisation of the route-to-consumer, engaging with consumers in an omni-channel setting. Earlier in his career, Mr Ho spent 12 years at KPMG starting from 2000 and was a partner of the consumer markets assurance function when he departed in 2012.

Mr Ho holds a Bachelor's degree in Economics and Accounting from the University of Liverpool and is qualified as a Chartered Accountant with The Institute of Chartered Accountants in England and Wales. He is also a member of the Hong Kong Institute of Certified Public Accountants and holds an EMBA from Kellogg-HKUST. Mr Ho was appointed a member of the Executive Committee of the Hong Kong Retail Management Association from July 2022. He is 48 years old.

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Appointed as a non-executive director of the Company on 26 February 2013. 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 64 years old.

Independent Non-executive Director

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 Fellowship 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 77 years old.

[1] Clear Media Limited was privatised in 2021

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 68 years old.

Mr CHAN Hiu Fung Nicholas, *BBS◊, MH, JP* *Δ

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 was appointed as 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 with effect from 8 December 2022, the shares of the company are listed on the Main Board of The Stock Exchange of Hong Kong. Mr Chan is also an independent non-executive director, Chairman of the Nomination Committee and member of Audit Committee of Pangaea Connectivity Technology 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, 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 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 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 2025), member of the Competition Commission (May 2024 – April 2026), member of Communications Authority (April 2023 – April 2025), member of Committee on Innovation, Technology and Industry Development (March 2023 – March 2025), member of the Advisory Committee on Promotion of Arbitration (August 2018 – March 2024), member (June 2017 – June 2023) and chairman (June 2023 – June 2025) of the Innovation and Technology Commission "Innovation and Technology Venture Fund" Advisory Committee, Chairman of the Appeal Tribunal Panel (Buildings) (December 2012 – December 2020), substantive member of the Human Organ Transplant Board (February 2018 – February 2024) and member to the Board of Directors of the Hong Kong Cyberport Management Company Limited (Apr 2024 – Mar 2026).

◊ Since 1 July 2024

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 Member of Fu Hong Society (since November 2018), Council Member (since June 2022), Chairman of the Risk Management Subcommittee (since May 2024), Member of Executive Committee of the Council (Apr 2024 – Mar 2026), Member of the Audit and Risk Management Committee (Apr 2024 – Mar 2026) and Chairman of the Knowledge Transfer Committee (Apr 2024 – Mar 2026) of The Chinese University of Hong Kong, 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, Hospital Governing Committee Member of Castle Peak Hospital and Siu Lam Hospital, Independent Member of the Travel Industry Council of Hong Kong Appeal Board, member of the Hong Kong Athletes Career and Education Programme Committee, 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 – 30 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 in the Hong Kong Special Administrative Region (September 2010 – September 2016) and 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 and member of the Legal Aid Services Council (September 2018 – August 2022). He is 50 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 39 years of experience in the field of sales and marketing, 27 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 68 years old.

Ms MAK Sum Wun Simmy, Senior Vice President, General Counsel and Company Secretary

Ms Mak was General Counsel and Company Secretary of the Company from September 2009 to September 2012. She re-joined Sa Sa in October 2014 and was promoted to her present position in April 2018. Ms Mak holds a Bachelor of Laws degree from Cardiff University, a Master's degree in International Laws from Peking University, and a Master of Science degree in Finance from The Chinese University of Hong Kong. She was admitted as a solicitor in Hong Kong and in England and Wales in 1993, and was called to the Bar in Hong Kong in 2001. She remained as a barrister in Hong Kong until 2008 when her name was restored to the roll of solicitors in Hong Kong. Ms Mak has over 20 years of experience in legal and company secretarial practices. She is 58 years old.

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

Board Effectiveness

- Nine directors
- INEDs: 1/3
- Female directors: 56%
- Average age: 59
- Five board meetings held during the year with 100% attendance rate
- 19 meetings of board committees held during the year with 100% attendance rate
- INEDs serving more than nine years: 2/3
- 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 ended 31 March 2024, 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:

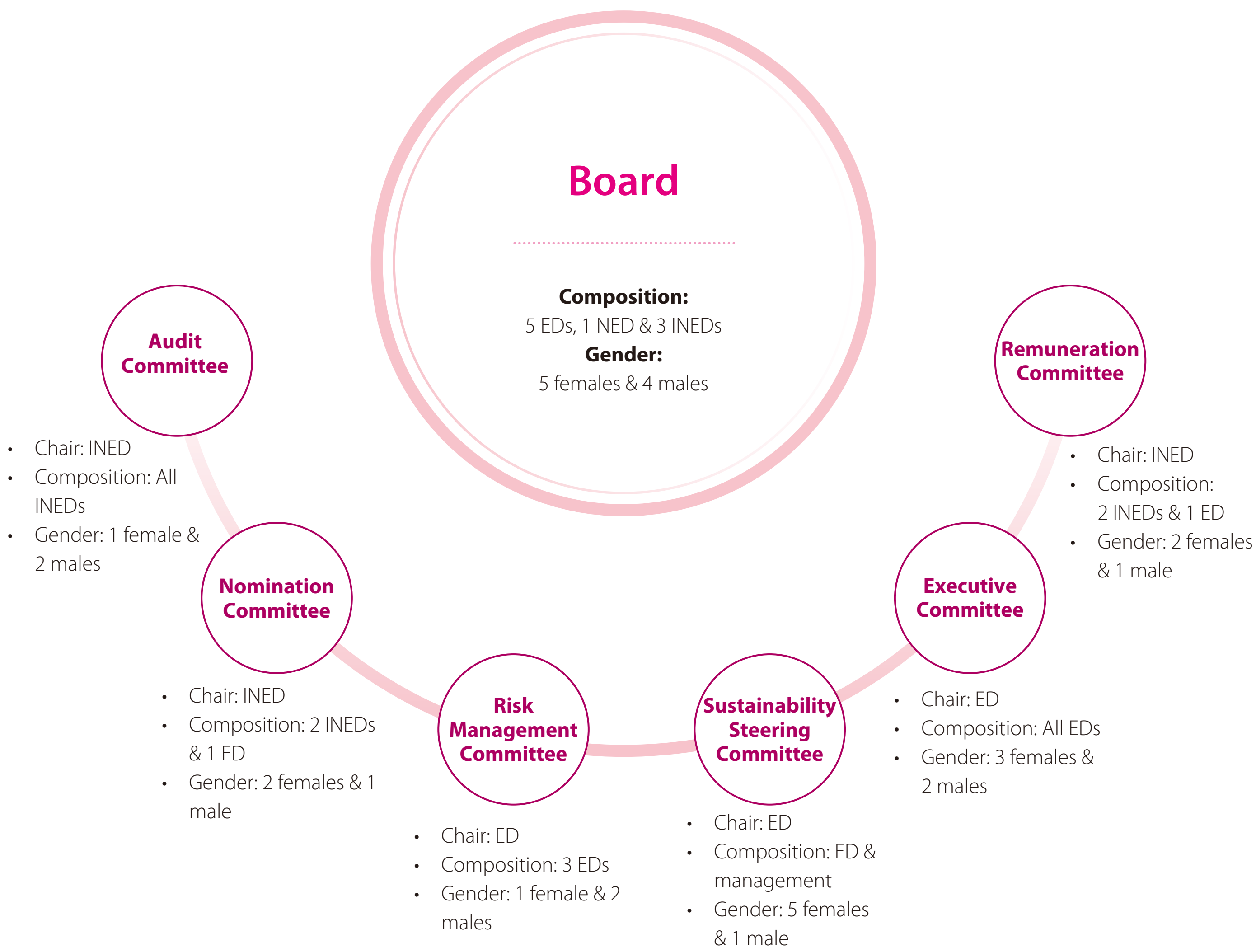
- ✓ Continued to hold our annual general meeting in hybrid form allowing participants the flexibility of attending in person or online.
- ✓ Held a total of five board meetings and 19 board committee meetings altogether, exceeding the minimum required by the CG Code.
- ✓ Board evaluation was conducted 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, a Gifts and Entertainment Policy, and Guidelines on Prevention of Bribery Ordinance, all of which are published on our corporate website.
- ✓ We gave 25 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 in 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



Board Composition

Composition of the Board and Board Committees

Board

Dr KWOK Siu Ming Simon (Chairman and Chief Executive Officer)*
Dr KWOK LAW Kwai Chun Eleanor (Vice-chairman)*
Ms KWOK Sze Wai Melody*
Mr HO Danny Wing Fi (Chief Financial Officer)*
Ms KWOK Sea Nga Kitty*
Ms LEE Yun Chun Marie-Christine#
Ms KI Man Fung Leonie^
Mr TAN Wee Seng^
Mr CHAN Hiu Fung Nicholas^

Audit Committee

Mr TAN Wee Seng (Chair)^
Ms KI Man Fung Leonie^
Mr CHAN Hiu Fung Nicholas^

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*
Mr HO Danny Wing Fi*
Ms KWOK Sea Nga Kitty*

Risk Management Committee

Dr KWOK Siu Ming Simon (Chair)*
Dr KWOK LAW Kwai Chun Eleanor*
Mr HO Danny Wing Fi*

* ED # NED ^ INED

The Board has a balanced composition, comprising five executive directors, one non-executive director and three independent non-executive directors. This composition fulfils the parameters of the CG Code, which requires listed issuers to have independent non-executive directors representing at least one-third of the Board.

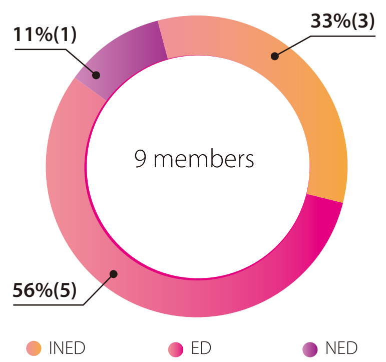
The biographical details of each of our directors, including the relationship between Board members, are set out on pages 51 to 56 of this Annual Report. An updated list of our directors, identifying their respective roles and functions together with their biographical details, is displayed on the Stock Exchange's website and our corporate website.

Independence

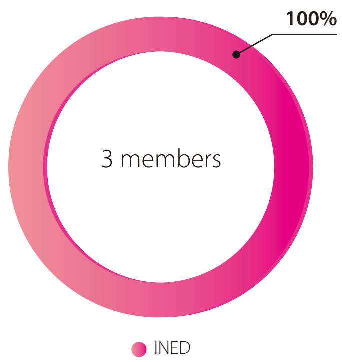
We have a strong element of independence on the Board, providing independent and objective oversight on strategic issues and performance matters. The Audit Committee, Remuneration Committee and Nomination Committees are each chaired by an independent non-executive director.

Board Independence

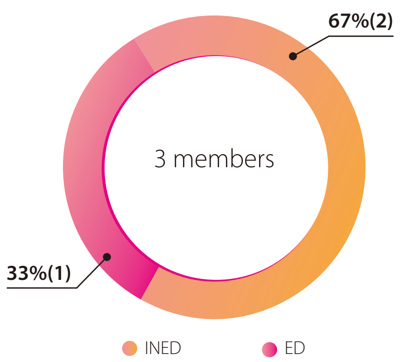
Board



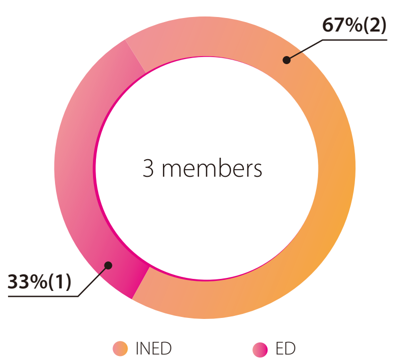
Audit Committee



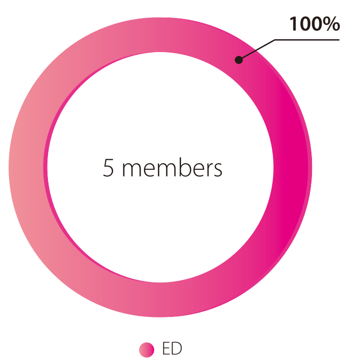
Remuneration Committee



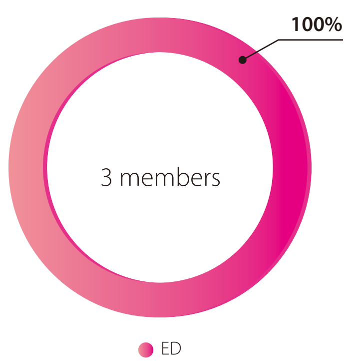
Nomination Committee



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.

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.

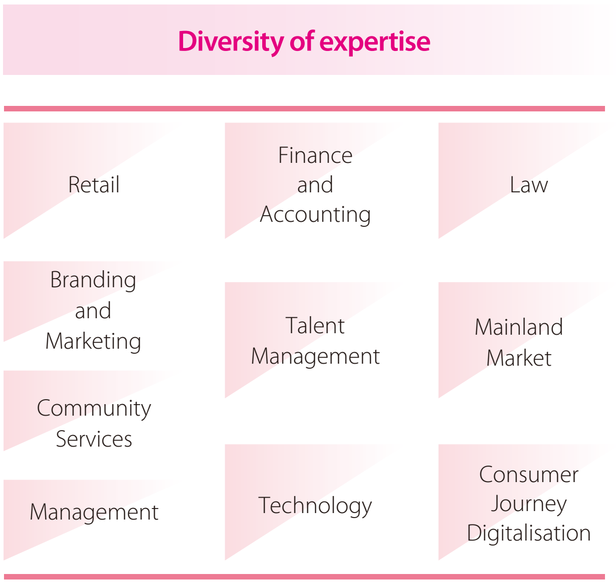
The Company has in place effective mechanisms to ensure that independent views and input are available to the Board. These mechanisms include (i) reviewing board size and composition annually to ensure that suitably skilled and sufficient number of INEDs are appointed to the Board; (ii) reviewing the 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

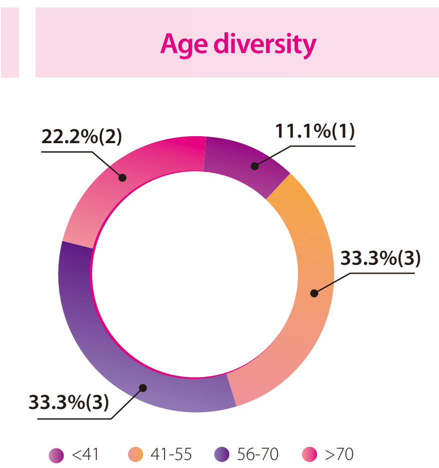
We recognise the benefit and value of diversity across the organisation, and endorse the view that a diverse board, with a breadth of perspective, is one of the key drivers of an effective board.

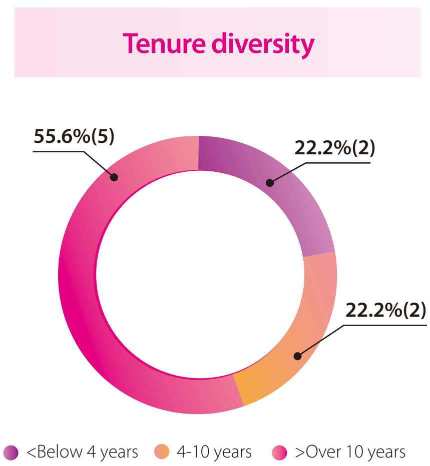
We have a highly diverse board in terms of age, gender, academic background, nationality, professional experience, industry experience and tenure. Collectively, the Board possesses experience and expertise in retail, finance and accounting, law, branding and marketing, talent management, Mainland market, 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 51 to 56 of this annual report.

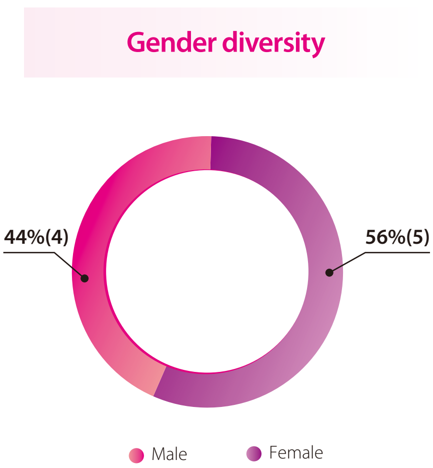
Our Board Diversity Policy reinforces the significant role women directors play in the Company and pledges to ensure a strong female representation at board level. With a female to male ratio of 5:4 on our Board as at 31 March 2024, the Board is satisfied that there is sufficient gender diversity at the Board level. A full version of the policy is set out below. It can also be found on our corporate website.



Board Skills Matrix







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 ratio as at 31 March 2024. Please refer to page 107 of our ESG Report for the male to female ratio in respect of our general workforce and distribution across different seniority and functions.

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 2024, our total workforce comprised of 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.

Appointment and Re-election of Directors

All our NEDs (including 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.

Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Ms KI Man Fung Leonie will retire by rotation at the AGM to be held in August 2024. 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 in the year under review.

* Senior management refers to the individuals identified on page 56 of this annual report.

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 meeting to consider the matter and would avoid the making of decisions by written resolutions unless it is impractical that a 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 ended 31 March 2024. 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.	➢ Provides leadership to the management.
➢ Takes primary responsibility for ensuring that good corporate governance practices and procedures are established.	➢ Develops and proposes goals and strategies for the Board's consideration.
➢ Ensures that the Board as a whole plays a full and constructive part in the development and determination of corporate strategies.	➢ Ensures information and reports provided by the management to the Board are relevant, accurate, timely and clear.
➢ Ensures that decisions agreed by the Board are effectively implemented by the CEO and management.	➢ Ensures effective implementation of the decisions agreed by the Board and is accountable to the Board.
➢ 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.	➢ 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.
➢ 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.	➢ Leads management in the design, implementation and monitoring of the risk management and internal control systems.
➢ 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.	➢ Ensures matters of importance requiring the Board's involvement are brought to its attention.
➢ 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.	➢ Leads the communication with shareholders and key stakeholders.
➢ Ensures that there is effective communication with shareholders and stakeholders and understanding of their views.	

Executive Directors

In the year ended 31 March 2024, we have five 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 68 and 71.

Non-Executive Directors (including INEDs)

Non-executive directors (including INEDs) 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	✓	✓	✓
Mr HO Danny Wing Fi	✓	✓	✓
Ms KWOK Sea Nga Kitty	✓	✓	✓
Ms LEE Yun Chun Marie-Christine	✓	✓	✓
Ms KI Man Fung Leonie	✓	✓	✓
Mr TAN Wee Seng	✓	✓	✓
Mr CHAN Hiu Fung Nicholas	✓	✓	✓

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, 10 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

Our Company Secretary is an employee of the Company and reports to the Chairman and CEO. She also acts as secretary to most of our Board Committees. She advises and supports the Board on governance matters and ensures that proper procedures are followed by the Board and Board committees. 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 ended 31 March 2024, 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 73. 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 ended 31 March 2024

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 2023 and related documents.
✓ Reviewed and considered the interim results for the six-months ended 30 September 2023 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 2023 and the six months ended 30 September 2023 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 152 to 155.

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 ended 31 March 2024, the fees paid by the Group to PwC amounted to approximately HK$3,054,000, comprising audit fees of HK$2,481,000 and non-audit fees of HK$573,000. 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 ended 31 March 2024

1 meeting (100% attendance rate)

Board composition
- ✓ 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 Mr CHAN Hiu Fung Nicholas 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 ended 31 March 2024

1 meeting (100% attendance rate)

Directors' and management's remuneration
- ✓ Reviewed and determined the remunerations of the directors and management for the financial year 2023/24 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.

Non-executive Directors (including INEDs) 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 NEDs 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 7 to the consolidated financial statements on pages 177 to 180 for the total emoluments paid to each director and the emoluments of senior management in aggregate and by band for the year ended 31 March 2024.

Executive Committee

Work done by the Executive Committee in the year ended 31 March 2024

10 meetings (100% 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 ended 31 March 2024:
  - 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 NEDs and the management and is open and responsive to any issues that might be raised by the NEDs (including the INEDs). The number of meetings held by the Executive Committee and the attendance of each individual Committee members are set out on page 73. Members of the management are invited to attend as and when appropriate.

Risk Management Committee

Work done by Risk Management Committee in the year ended 31 March 2024

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 Programme

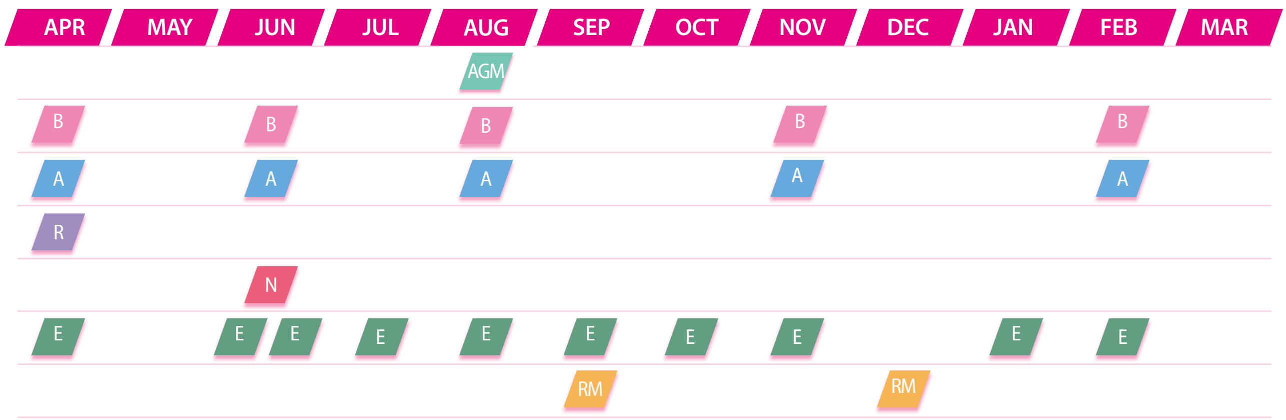
✓ Reviewed and considered the ERM progress and results for the year ended 31 March 2024 including:
- Continuous assessment of existing and new risks that the Group faced;
- Reviewed of risk indicators and assessed how risks were measured and managed;
- Reviewed and assessed the risk trends and appropriateness 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 73. Please refer to pages 80 to 87 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 2023/24



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 ended 31 March 2024.

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]	1/1[2]	10/10	2/2	1/1
Dr KWOK LAW Kwai Chun Eleanor	5/5	5/5[2]	1/1	1/1	10/10	2/2	1/1
Ms KWOK Sze Wai Melody	5/5	5/5[2]	N/A	N/A	10/10	2/2[2]	1/1
Mr HO Danny Wing Fi	5/5	5/5[2]	N/A	N/A	10/10	2/2	1/1
Ms KWOK Sea Nga Kitty	5/5	5/5[2]	N/A	N/A	10/10	2/2[2]	1/1
Non-Executive Director							
Ms LEE Yun Chun Marie-Christine	5/5	5/5[2]	N/A	N/A	N/A	N/A	1/1
Independent Non-Executive Directors							
Ms KI Man Fung Leonie	5/5	5/5	1/1	1/1	N/A	N/A	1/1
Mr TAN Wee Seng	5/5	5/5	N/A	1/1	N/A	N/A	1/1
Mr CHAN Hiu Fung Nicholas	5/5	5/5	1/1	N/A	N/A	N/A	1/1
Total number of meetings	**5**	**5**	**1**	**1**	**10**	**2**	**1**
Average attendance rate of directors[3]	100%	100%	100%	100%	100%	100%	100%

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.

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 ended 31 March 2024

5 meetings (100% attendance rate)

Financial

- ✓ Approved the annual results and annual report for the year ended 31 March 2023.
- ✓ Reviewed financial performance against budget and the market.
- ✓ Approved the interim report and interim results announcement for the six months ended 30 September 2023.
- ✓ 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 Mr CHAN Hiu Fung Nicholas as INED.
- ✓ Approved the re-elections of Mr TAN Wee Seng, Ms KWOK Sze Wai Melody, Mr CHAN Hiu Fung Nicholas and Ms KWOK Sea Nga Kitty as directors at the annual general meeting held on 24 August 2023.
- ✓ Approved the re-appointment of PwC as auditor of the Company.
- ✓ Considered reports from the chairs of the different board committees.
- ✓ Reviewed ESG developments 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.
- ✓ 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 ended 31 March 2024.

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 (generally within seven business days) 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 financial year 2023/24, 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 2024. 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 financial year under review.

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 ended 31 March 2024.

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. There was one incident of non-compliance during the year ended 31 March 2024, which resulted in a fine of HK$2,800. Further details are provided on page 118 of the ESG Report.

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. Three trainings were conducted in Hong Kong in the last financial year, and four trainings were conducted in the Mainland in this financial year. 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. 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. The policy has been revised and updated to provide more 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 88 to 131 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 80 to 87 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. The Group engaged an external consultant to carry out an assessment and control review project for the Information Technology Department to improve its information security management system by benchmarking against ISO 27002 requirements.

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 2024, 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

2024 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 ended 31 March 2024 will be held on or around Thursday, 22 August 2024. 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 22 July 2024.

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 132 to 136 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 132 to 136 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 websites which contain 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 132 to 136, 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. The main part of the policy is set out below.

Policy Statement

1. Factors to be considered when deciding on dividend payout include return to shareholders, cash needed for the Group' s business operations, expansion and inventory, capital expenditure requirements and 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 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 continue to 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 shares 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 2023 annual general meeting, upcoming important dates and year-end public float capitalisation, please refer to pages 132 to 136 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 ended 31 March 2024.

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 2024, 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 81.

Risk Governance & Infrastructure

The ERM Framework

Top Down Approach

Risk Management Responsibilities

Risk Management Function

The Board

- Overall risk management responsibility
- Determine risk profile and oversee risk management framework
- Review major risks and mitigation strategies and ensure risk management appropriateness and effectiveness

Challenge and hold management team to account as to the identification, assessment and management of emerging, potential and actual risks

Audit Committee

- Delegated responsibilities from the Board

Risk Monitoring & Emerging Risks

Risk Management Committee

- Establish and maintain risk management and internal control systems
- Develop risk profile and review risk responses
- Formulate risk management strategy

Enterprise Risk Management

Major Risks

Risk Monitoring & Reporting

Risk Response Validation

Risk Mitigation Plan & Risk Indicators

Business Units

- Identify, assess and evaluate existing and emerging risks in achieving group's objectives
- Set risk priorities for business unit

Enterprise Risk Assessment and Risk Treatment

Individual Risks

Strategic Risks | Operational Risks | Financial Risks | Compliance Risks | Reputation Risks

Risk Assessment Facilitation

Strategic Planning, Objectives & Key Results

Control Self-Assessment

Guidelines, roles and responsibilities

Risk escalation and assurance

Bottom Up Approach

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 SAR 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 programme and investing in data analysis in order to be able 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 stickiness with customers. 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 amounts 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 18 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, where 44.5% 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. 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. Desired assortment, 2. Accessible and engaging and 3. Aspirational brands. Please refer to "Our Strategy" on page 10 to 15. We have strengthened our content marketing on trending social media applications such as 'Little Red Book' 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 IT Resilience There is a rise in cyber-attacks and related crime. 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. Inadequate IT resilience arrangements and integration with legacy systems and our increasing dependence on third-party IT services and solutions could cause disruption to core business operations resulting in financial loss and reputational damage. As the world becomes increasingly digital and the collection and use of data becomes more prevalent, 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. 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. • Cyber security training and awareness outreach programme, 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. • Monitor internal systems and respond to cyber threats. 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.	Increasing ▲

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. Ethical Business Practice Lack of an embedded business integrity culture or any breach of our policies, relevant laws or regulations (including but not limited to anti-corruption, money laundering, anti-competition, human rights, data protection) could result in penalties, financial loss and reputational damage. We understand that incentives or pressures to commit fraud may be more apparent during economic downturns.	We are committed to enforcing ethical business practices by setting the right tone at the top. To evaluate and manage fraud risks, all business units and departments are required to formally assess and report annually their fraud risk exposure. To proactively protect against fraud, we have established whistleblowing process. All possible cases of fraud are followed up independently by the Internal Audit Department or jointly, if appropriate, with other departments in the Group or with external investigators. Prompt and consistent disciplinary actions will be taken according to company policy and the results, together with corrective actions to close the gaps and reduce the opportunity for fraudulent acts, will be reported to the Executive Directors and Audit Committee. Our Code of Business Conduct and supporting policies and standards set out compliance requirements which are then embedded through regular training and communications. To cultivate fairness, honesty, and integrity among our employees, we provide continuous training. Besides, vendors are required to follow and sign the Declaration of Vendor Code of Conduct, which includes various aspects such as conflicts of interest, confidentiality, gifts and entertainment, anticorruption and anti-competitive behaviour. These measures are aimed at ensuring that our employees and vendors consistently uphold the highest standards of professional ethics.	Decreasing ▼

Risk and Impact	Mitigation Plans	Risk Assessment
9. Geopolitical Volatility and Business Interruption Geopolitical forces, primarily driven by the Russia/Ukraine conflict (but also several other vectors globally), 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 ▲

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Responsible Beauty

Turning commitments into action

MESSAGE FROM THE CHAIRS

At Sa Sa, we believe financial performance and prosperity go hand in hand with ESG performance. We are committed to making life beautiful for our stakeholders sustainably and responsibly and we strive to create positive impact for our planet, people, customers and community.

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

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

◊ Since 1 July 2024

OUR SUSTAINABILITY JOURNEY

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

Sa Sa Making Life Beautiful Charity Fund established

2014/15

Caring Company 10 years

2015/16

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

2016/17

Award for Corporate Governance Excellence and Award for Sustainability Excellence

2017/18

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

2018/19

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

2019/20

Hong Kong Awards for Environmental Excellence (HKAEE)

Sustainability Framework established

Caring Company 15 years

Hang Seng Corporate Sustainability Index Series Member 2019-2020

MSCI ESG RATINGS: A

LAST UPDATE: September 23, 2021

2020/21

Stood with the community to fight the pandemic of the century

BDO ESG Award 2021

2021/22

Signatory to *Bye Bye Microbeads Charter*

MSCI ESG RATINGS: BBB

2022/23

MSCI ESG RATINGS: A

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

- TVB ESG Special Recognition Award
- Quality Merchant[1] for 20+ years

2023/24 SNAPSHOT

MSCI ESG rating **BBB**

Independent reasonable **assurance** on key climate data

Scope 1 and scope 2 emissions ↓**68.9%** from base year, on track to achieving our target of a 70% reduction by 2025

Number of stores utilising low carbon lighting technology went up from **5** to **10**

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

5.0 tonnes of red packets collected for reuse in the Lai See Reuse and Recycle Program

Satisfactory year-on-year increase in reuse and recycle rate
- reuse of carton boxes ↑**30.6%**
- recycle of plastic stretch film ↑**14.7%**

TVB ESG Special Recognition Award

Satisfactory year-on-year reduction in the consumption of natural resources
- use of plastic bubble wraps ↓**57.8%**
- use of plastic stretch film ↓**19.2%**
- use of carton boxes ↓**15.1%**
- use of paper ↓**8.1%**

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

OUR SUSTAINABILITY FRAMEWORK

Our Planet

Preserve 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

13 CLIMATE ACTION
14 LIFE BELOW WATER

Our People

Empower Our People

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

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Our Customer

Serve With Heart

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

3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our Community

Achieve Sustainable Growth Together

- Invest in the community
- Collaborate to flourish

17 PARTNERSHIPS FOR THE GOALS

OUR GOVERNANCE STRUCTURE

Top-down directions

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.

Bottom-up information flow

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 2024 and deliberation of sustainability related issues was on the agenda in two of such board meetings. The matters considered include packaging trends, ESG strategy, performance and indicators.

ESG-related risks have not been integrated into our company-wide enterprise risk management framework but are considered on a standalone basis along with strategies at board meetings. 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

We inspire our people and our customers to take climate action before it is too late.

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.

Our 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.

Our 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%**
from base year

Carbon intensity per sqm GFA
↓ **63%**
from base year

Electricity intensity per sqm GFA
↓ **45%**
from base year

Carbon intensity per HK$1M revenue
↓ **13%**
from last year

Electricity consumption
↑ **0.6%**
from last year

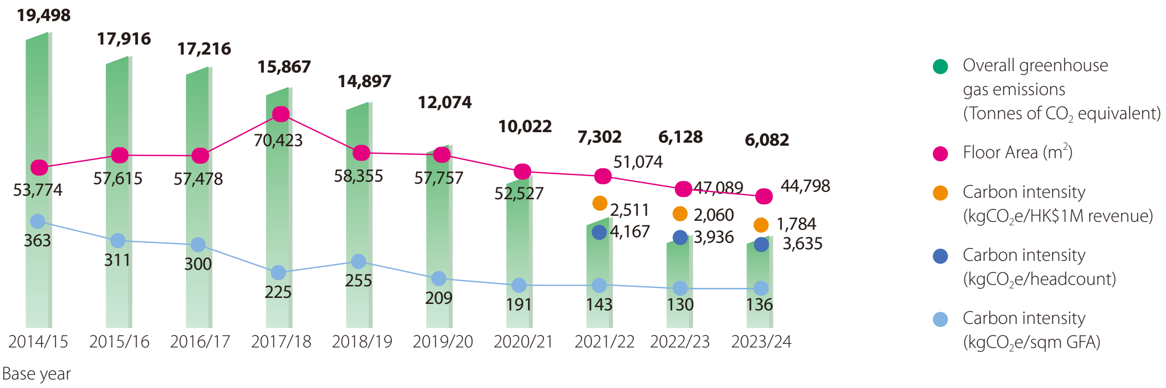
Carbon intensity per sqm GFA
↑ **4.3%**
from last year

Electricity intensity per sqm GFA
↑ **5.7%**
from last year

Carbon intensity per headcount
↓ **7.6%**
from last year

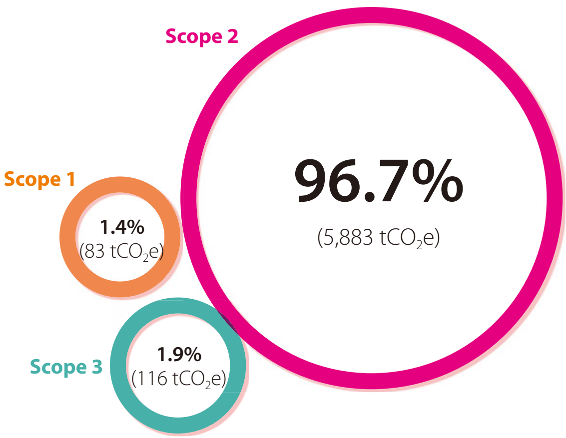
As at 31 March 2024, we operated a total of 82 stores in Hong Kong and Macau, an increase of three from the last financial year. Our operations generated 6,082 tonnes of carbon dioxide equivalent (CO_2e), a decrease of 46 tonnes (0.8%) from the last financial year.

GHG Emissions and Carbon Intensity

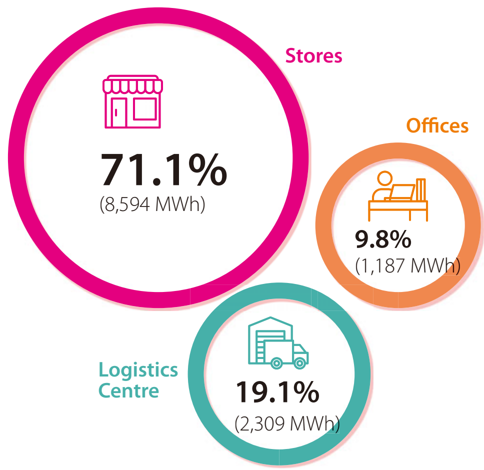


Energy consumption through purchased electricity (Scope 2 emissions) is the source of more than 96% of our total GHG emissions reported. Among our operation facilities, retail stores are responsible for most of the electricity consumed, accounting for 71% of the total, followed by our logistics centre (19%) and offices (10%). In 2023/24, our absolute electricity consumption increased by 0.6% but our carbon intensity (per HK$1M) came down by 13% 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

With global warming posing a serious threat in the form of rising temperature, extreme weather and severe flooding, it is imperative that we take climate actions to avert a climate crisis. We support the path to net zero and strive to build a carbon-conscious culture in the workplace inspiring our people to make responsible decisions and sustainable changes in consumption pattern as well as business practices.

Pledge to act

During the year 2023/24, 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 transportation

2 electric company cars acquired in the transition to a low carbon economy which is expected to lower our fuel consumption and associated scope 1 GHG emission.

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 about 15% installed in 5 more stores in the financial year 2023/24, bringing the total number of stores utilising this lamp technology to 10.

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.

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
- Monitoring 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

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

Energy Targets and Progress

Our emission reduction target[1]	Progress
70% reduction in total scope 1 and scope 2 GHG emissions by 2025 against base year 2014/15	68.9% reduced on track to achieving our target next year

1. As energy consumption through purchased electricity is the source of 97% of our total GHG emissions reported and 98% of our scope 1 and scope 2 emissions combined, this is our target for energy use efficiency as well.

Performance Overview: Packaging Consumption

Carton boxes
for offline delivery

143,316 kg 2023/24 | 151,531 kg 2022/23

-5.4% YoY change

Carton boxes
for online delivery

146,794 kg 2023/24 | 178,047 kg 2022/23

-17.6% YoY change

Plastic shopping bags[1]

1,424,252 pcs 2023/24 | 1,182,065 pcs 2022/23

+20.5%[2] YoY change

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

16,609 kg 2023/24 | 20,560 kg 2022/23

-19.2% YoY change

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

10,927 kg 2023/24 | 8,265 kg 2022/23

+32.2%[2] YoY change

Plastic shopping bags consumption intensity
(per transaction)

0.13 pcs 2023/24 | 0.13 pcs 2022/23

+0.02% YoY change

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

5,433 kg 2023/24 | 12,875 kg 2022/23

-57.8% YoY change

1. The paper used in our shopping bags is sourced from responsibly managed forests and certified by the Forest Stewardship Council (FSC). Excluding reusable shopping bags.
2. Largely due to increase in turnover after the boundary re-opened after Covid.

Our Initiatives: Resource Conservation

Plastic is stiff, flexible, lightweight, waterproof, durable and much cheaper than some other materials like wood, metal or glass. There are estimates, however, that 50% of all plastics produced globally are for single-use while less than 10% of all plastics is recycled. In Hong Kong, plastic waste disposed of at landfills increased by 36% from 2009 to 2019 according to government statistics, while solid and microplastic waste are polluting the oceans all over the world threatening both biodiversity and human health.

Combined with the regulation of single-use plastics and preparing for the implementation of waste charging in Hong Kong, our initiatives focus on using resources responsibly, reducing plastic packaging and cardboards and increasing our reuse and recycling rate. These initiatives include:

- Deploying pallet wrapping machines in the wrapping of loaded pallets for transportation to avoid waste from excessive or inaccurate manual wrapping and using reusable pallet wraps in some of our logistics operations to replace single use plastic pallet wraps leading to a **19.2%** reduction in the use of stretch film in the year 2023/24.
- The use of bags for smaller items and wrapping thinner for bigger items for our online delivery to reduce packing volume and packaging materials leading to an overwhelming reduction of **57.8%** in the use of bubble wraps in our online delivery in the year 2023/24 and a reduction of **72.7%** against our base year 2021/22.
- Redesigning our adhesive packing labels for both online and offline delivery reducing its size by an average **63%**.
- Using double instead of triple wall corrugated carton boxes reducing the average weight of each carton box by **35.5%**.
- Replenishing our stores using the original carton boxes from our suppliers. This creates more of a logistical challenge as the sizes of the carton boxes may vary greatly between suppliers, but it avoids repackaging using additional boxes. We also 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 remained stable (with increment of 0.8%) compared to the base year 2021/22 while the use of carton boxes for offline delivery has come down **41.6%** since the base year 2015/16.
- Engaging with our frontline staff to promote reuse of carton boxes leading to an increase in reuse rate of **77.7%** in the last financial year, **30.6%** in this financial year, and **132.1%** compared to the base year 2021/22.
- Optimising the size of our packaging to eliminate excess material and waste, we have **11** different sizes of carton boxes to choose from when packing our online and offline delivery.
- In the year 2023/24, we donated over **150** pieces of used computer hardware to a non-profit making organisation whose mission is to provide teenagers with low education level with computer hardware and software vocational training and job opportunities. Computers and digital products that can be reused are repaired and upgraded and then given to families in need, while those that cannot be reused are disassembled for recycling.

Elimination of disposable umbrella bags

Wet slippery floor caused by water dripping from umbrellas on rainy days is a safety hazard. To address this, a small, lightweight plastic bag to hold the wet umbrella was the solution for many years. Some umbrella bags may be reusable, biodegradable, recyclable or even upcyclable but in most cases, they end up in the landfills taking hundreds of years to decompose. We cannot deny or ignore the negative effect this has on the environment. We have been replacing umbrella bags with umbrella dryers and will completely eliminate the distribution of disposable plastic umbrella bags in our stores in the financial year ending 31 March 2025.

Performance Overview: Water Consumption

Water consumption

7,117 cu.m 2023/24 | 3,819 cu.m 2022/23

+86.3% YoY change

Water intensity (per headcount)

4.3 cu.m 2023/24 | 2.5 cu.m 2022/23

+73.4% 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.

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 this financial year.

Our target is to reduce water consumption every year compared to the previous year. We did not meet this target in the financial year 2023/24.

Performance Overview: Waste[1]

Non-hazardous waste disposed

Solid waste

25.2 tonnes 2023/24 | 27.7 tonnes 2022/23

-8.8% YoY change

Liquid waste

12.8 tonnes 2023/24 | 15.0 tonnes 2022/23

-14.6% YoY change

Waste intensity

Waste intensity (per HK$1M revenue)

11 kg 2023/24 | 14 kg 2022/23

-22.2% YoY change

Hazardous waste disposed

Chemical waste

0 tonnes 2023/24 | 0 tonnes 2022/23

0% YoY change

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 2024, we disposed **2.5** tonnes less of solid waste and **2.2** 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. In 2023/24, we consumed **8.1%** less paper. Paper use intensity per headcount dropped by **14.5%**.

1. Solid waste comprised mainly of 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 of 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. As chemical waste needs special treatment, it is disposed of only when a minimum quantity has been reached. There was no chemical waste disposal in 2023/24.

Performance Overview: Reuse and Recycle

Carton boxes
Recycled

91,960 kg 2023/24

90,020 kg 2022/23

+2.2% YoY change

Carton boxes
Reused

128,100 kg 2023/24

98,100 kg 2022/23

+30.6% YoY change

Stretch film
(4-LDPE)
Recycled

3,900 kg 2023/24

3,400 kg 2022/23

+14.7% YoY change

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.

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.

FOOD ANGEL

SaSa

12th October 2023

Dear SaSa,

Thank you for your Generous Support!

We would like to extend our heartfelt gratitude for your kind support of donating 877g of mooncakes to Food Angel on 12th October 2023. Your generous donation plays a key role in supporting our programmes in reducing food waste at source, alleviating hunger, relieving poverty and educating our next generation to cherish resources and protect the environment. It also helps us to achieve our mission of "Waste Not, Hunger Not, With Love".

Currently, Food Angel rescues 45 tonnes of edible surplus food each week, producing over 20,000 nutritious meals and helps distribute over 11,000 other meals and food packs daily free of charge for people who are in need of food assistance.

Once again, we thank you very much for your generosity and look forward to having your continuous support.

Yours faithfully,

Astor Wong
Head of Partnership and Resources Development

Bo Charity Foundation Limited

Recycling of mooncake boxes

Our first mooncake boxes collection in the office and sending them to Green@Community for recycling.

Lai See reuse and recycle

5.0 tonnes (last year: 5.7 tonnes) 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 11 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.

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.

Performance Overview: Paper Consumption

Consumed

Offices	385,549 pcs	(1,928 kg)
Logistics centre	865,991 pcs	(4,330 kg)
Stores	1,963,330 pcs	(9,817 kg)

By pieces

3,214,870 pcs (2023/24) | 3,498,938 pcs (2022/23)

-8.1% YoY change

By weight

16,074 kg (2023/24) | 17,495 kg (2022/23)

-8.1% YoY change

Recycled

	2023/24	2022/23
Offices	18,886 kg	19,349 kg
Logistics centre	174 kg	2,040 kg

Total recycled

19,060 kg (2023/24) | **21,389 kg** (2022/23)

-10.9% YoY change

Paper use intensity (per headcount)

1,922 pcs (2023/24) | **2,247 pcs** (2022/23)

-14.5% YoY change

Paper use intensity (per HK$1M revenue)

943 pcs (2023/24) | **1,176 pcs** (2022/23)

-19.8% YoY change

Our Initiative: Paperless Delivery

Electronic proof of delivery for our offline delivery was launched during the year, with three sets of paper – one for the logistics centre, one for the delivery worker and one for the store – eliminated in each delivery from our centralised warehouse to individual stores with expected savings of **400,000** pieces of paper every year.

Compliance with Laws and Regulations

There has been no non-compliance with environmental related laws and regulations in the financial year. We regard the following (some of them being voluntary charters) as relevant but they do not have a significant impact on our operations.

- Plastic bag charging scheme
- Charter on external lighting
- Bye bye microbeads charter
- 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
- Producer responsibility scheme on glass beverage containers effective 1 May 2023
- Regulations of certain single-use disposable plastics effective 22 April 2024
- Waste charging scheme the implementation of which has been deferred

OUR PEOPLE

People are at the heart of our business. We deliver results together.

Empower Our People – Our Commitments

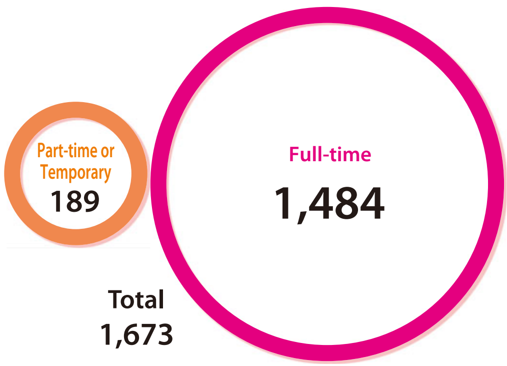
- Invest in training and development
- Developing women leaders in the retail industry
- Promote equality, diversity and inclusion

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.

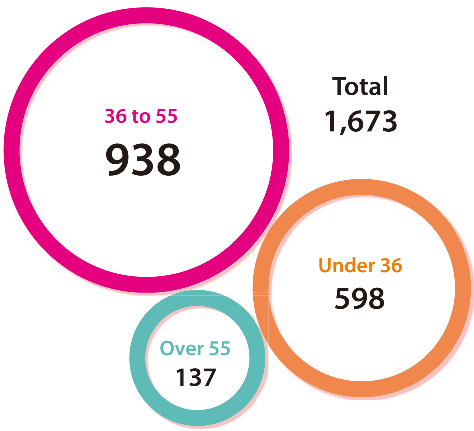
Our principal subsidiary in Hong Kong is also a signatory to the Mental Health Workplace Charter.

Employees Profile

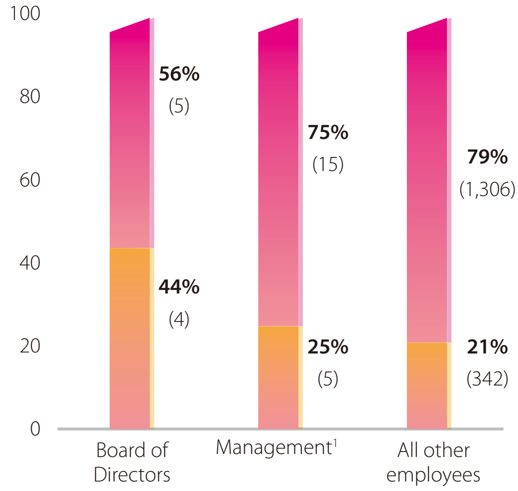
Number of employees by employment type



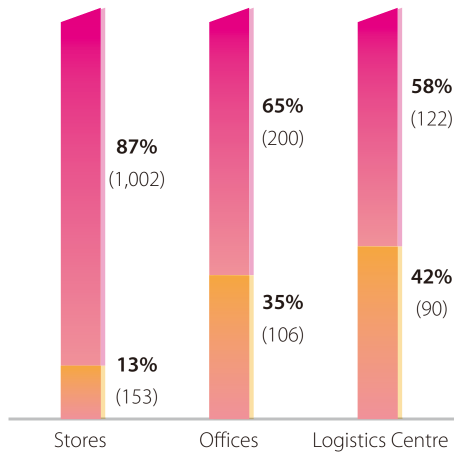
Number of employees by age group



Gender distribution by seniority (number of employees)



Gender distribution by function (number of employees)



Male Female

Performance Overview: Empowering Our People

Number of staff who completed the Junior Beautician Trainees (JBT) curriculum

46 2023/24

75 2022/23

-38.7% YoY change

Women in leadership

	2023/24	2022/23
Directors	**56%**	56%
Management	**75%**	79%

Total number of employees trained

1,491 2023/24

426 2022/23

+250.0% YoY change

Total number of training hours

212,969 2023/24

58,585 2022/23

+263.5% YoY change

Average hours of training per employee

127.3 2023/24

37.6 2022/23

+238.6% 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 programmes 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[2] 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 under 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.
2. Employees Retraining Board

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 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 125 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

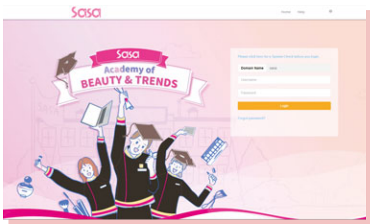
8 night meetings held after store close during the financial year for frontline staff working under different line managers to share best practices, success stories and challenges and for back office staff to learn and gain insights into store operations to better develop supporting and communication strategies so everyone can work more effectively and efficiently with well aligned business goals.

Sustainability training for all

One sustainability-related briefing by way of a newsletter delivered to **all** staff during the year to increase awareness of plastic pollution and champion for the reduction of single-use plastic.

Multi-modal training to enrich learning experience

147 training modules available on the Company's e-learning platform and **165** interactive offline skill development trainings conducted by our in-house training team in 2023/24, 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.



A glimpse of our training and development courses

- Product knowledge
- Service standard
- Communication and presentation skills
- Leadership and coaching skills
- Model shops
- Solving customers problems and handling of complaints

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.

Company movie night

A superhero film attended by 200 employees and their family and friends promoting resilience.

Christmas baking workshop

A fun evening of creative bakery for our employees to de-stress, relax and enjoy each other's company.

Christmas party

Celebrating together at the end of the year with games, entertainment, good food, pleasant company and pleasing wine.

Performance Overview: Occupation Health and Safety

Work related injuries

12 cases 2023/24 | 18 cases 2022/23

-33.3% YoY change

Lost days due to work injury

239 days 2023/24 | 503 days 2022/23

-52.5% YoY change

Work-related fatalities

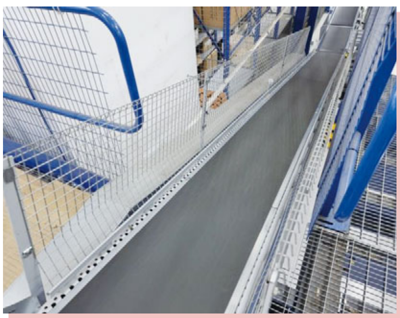
None in each of the past three years including financial year 2023/24

Our Initiatives: 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 **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 16 committee members held **3** 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) Manual Handling Operations and Prevention of Back Injuries; (ii) Stress in the Workplace; (iii) Occupational Safety and Health Management; and (iv) Risk Assessment.

- Videos on work safety played in the common areas of the warehouse to serve as a daily reminder to put safety first.

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 financial 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 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 and Guidance on Prevention of Bribery Ordinance. A newly developed Vendors Code of Conduct was rolled out by the Company's internal audit team in May 2023.

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. In this financial year, we became a crime prevention "hero" after joining a crime prevention programme, Project HERO, initiated by a Regional Crime Prevention Office of the Hong Kong Police Force. Our senior and middle management attended a crime prevention seminar to learn about the latest fraud scheme and deception cases and then helped to spread crime prevention messages.

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 86 of this annual report for further details on how we guard against corruption, fraud and unethical business practices.

Project HERO seminar

OUR CUSTOMERS

Your satisfaction is our passion.

Serve With Heart – Our Commitments

- Commit to product quality and safety
- Integrate consumer rights and protection into customer experience
- Inclusive beauty 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 the last 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. Our score in this financial year was 802 demonstrating service excellence while the average score of all scheme merchants was 785.

Internally, our retail stores are also regularly scored and graded by our training, customer service and internal audit teams to ensure product and service excellence at all times.

We also have an internal scheme to measure customer satisfaction and to reward frontline staff for delivery of exemplary customer 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

Indicator	2023/24	2022/23
Products subject to recalls for safety and health reasons	0	0
Number of compliments received for offline stores	118	30
Number of products or service-related complaints received for offline stores	55	5
Score under the Quality Tourism Services Scheme[1]	802	782

Product 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.
- Except for food, pharmaceutical products, certain give aways and discounted products, we ensure the products we sell have a remaining shelf life of at least four months.
- 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 committing to the protection of intellectual property and innovation.

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

1. Administered by Hong Kong Tourism Board. We no longer participate in the Mystery Shopper Programme administered by the Hong Kong Retail Management Association (HKRMA).

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

276 clean beauty products (or SKUs) across 33 brands available at our stores

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

34,829 pieces sold during the year with over 6,000 pieces sold in the Christmas festive season alone

FSC certified paper packaging supporting sustainable forestry

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

Vegan products free from animal-derived substances

37 exclusive vegan products on shelves during the year

Cruelty-free products not tested on animals

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

Biodegradable paper masks that help to reduce waste

4 of our newly launched exclusive face masks are made from biodegradable paper

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

21 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 (MIT or MI), Methylchloroisothiazolinone (MCI)
- Mineral oil, Petrolatum, 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

Engaging Stakeholders

International plastic bag free day

On International Plastic Bag Fee Day last year, we joined forces with like-minded individuals and entities all over the world to engage customers on the impact of single-use plastic bag on the environment as we see them littering our shorelines, endangering marine life and ultimately affecting human health as microplastic enters the food chain. On that day, our stores did not provide any single use plastic shopping bag but for customers who needed a bag, we encouraged them to buy one of our reusable bags with triple rewards under our customer loyalty programme and pledged to donate the net sales proceeds from the reusable bags to Po Leung Kuk for use in environmental education. PLK is a non-profit social service organisation as well as the operator of two Community Green Stations in Hong Kong.

Eco-friendly bag design competition

Eco-friendly bag design competition organised during the year in partnership with the Hong Kong Design Institute. All bags were made from upcycling fabrics by students in higher education.

Orientation programme gifts for students

A "lucky bag" of clean beauty products for the New Student Orientation Programme of five different universities to promote healthy and sustainable personal care.

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 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 more information.

In the financial year 2023/24, we were fined HK$2,800 for selling a prepackaged food supplied by one of our local suppliers with incorrect "best before" date format and the packaging showing the ingredients only in Chinese but not in English as required by labelling regulations.

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. Additionally, we established an Information Security Incident Management Team for security incidents, and ensuring security policies are updated from time to time. External audits on systems are conducted during the Financial Year to monitor and continue to enhance existing information security management system and 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 85 of this annual report.

Inclusive Beauty 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 gender, age, race, skin tone and budget.

Our OMO (online merge 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
254	141	70	12	4
(52.8%)	(29.3%)	(14.6%)	(2.5%)	(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 116 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 83 and 86 of our Enterprise Risk Management Report.

OUR COMMUNITY

Thriving together.

Achieve Sustainable Growth Together – Our Commitments

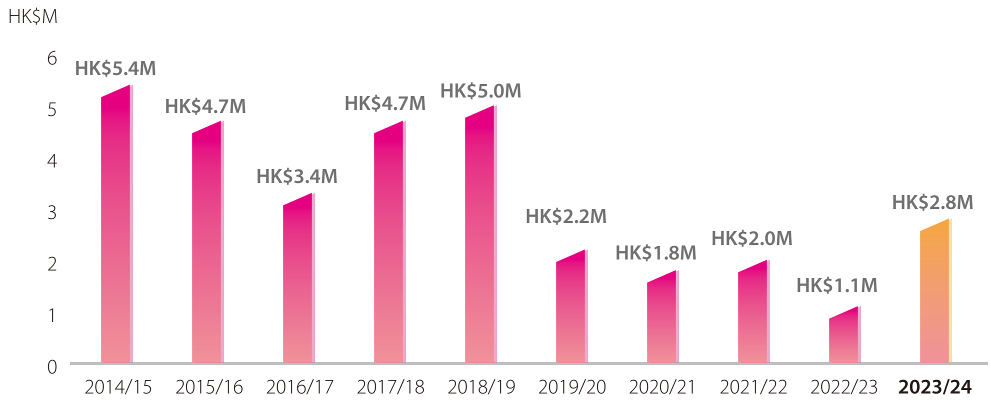
- Invest in the community
- Collaborate to flourish

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$33.1 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$1.72M	HK$1.04M
2023/24	2022/23

+ 65.4%
YoY change

Community Engagement

Caring Company Award for over 15 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 15 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

200+
university students

30+
mentors

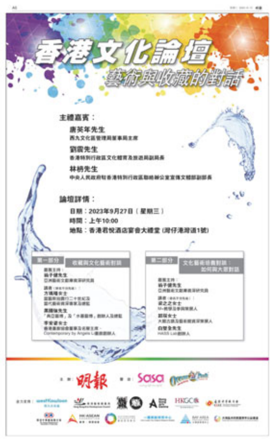
3+
months hackathon

20
participating brands

In collaboration with the Hong Kong Retail Management Association (HKRMA), JA Hong Kong and other retail industry leaders in Hong Kong, we participated again this year in HKRMA's Retail Reimagined Challenge 2024, a hackathon aiming to unleash the creativity of our next generation retail leaders to reinvent the retail landscape. The Chair of our Sustainability Steering Committee, Ms Melody Kwok, acted as one of the panel judges in the pitch competition calling for innovative solutions to the business challenge of sustainability while our Marketing Director acted as mentor to one of the competing teams.

Supporting arts and culture

Recognising the positive social impact of art and culture on the society, as means of expression and communication to foster a sense of belonging and creativity, we sponsored and attended *Artistic Dialogue: A Forum for Art Connoisseurs and Collectors*, a forum held to strengthen cultural exchange through insightful dialogue.



Promoting health and wellness

Pink Run

Annual charitable event organised by Hong Kong Hereditary Breast Cancer Family Registry aiming to promote knowledge and risk awareness of hereditary breast, ovarian and prostate cancers and to raise funds to support underserved high-risk families.

Love Teeth Day 2023/24

Reminder to everyone to take care of their oral health which is crucial to overall health. Our employees participated and donated to support "Oral Health Services for the Needy" provided by the Community Chest's social welfare member agencies.

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 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.

Po Leung Kuk Dress Special Day 23/24

With a special theme of *Po Leung Studios* this year, donors were encouraged to dress up as movie characters and compete for the "Best Dressed Award" to raise funds to support the grassroots and underprivileged groups.

Dress Casual Day 2023 Wear Your Moment

Celebrating the 30th anniversary of Dress Casual Day, all proceeds from this event went to supporting the *Child Protection and Welfare Services* for neglected children, and to raise public awareness towards prevention of child abuse. Our staff generously donated to the event and turned up for work in their casual outfit.

Po Leung Kuk 145th Anniversary Charity Walk

Continued to foster a culture of caring for the underprivileged and an opportunity for our people to enjoy a walk in the nature together with their family and friends while raising funds for the community.

The Community Chest Walk for Million 2024

To celebrate the 55th anniversary of The Community Chest, this year's walk was held on the magnificent Hong Kong-Zhuhai-Macau Bridge with teams from business and industrial organisations, groups and individual supporters participating. 100% of the funds raised in this year's walk went to supporting the provision of "Family and Child Welfare Services" by the Chest's member agencies.

Po Leung Kuk Flag Day 2023

Participated both as flag sellers and donors to raise funds for Po Leung Kuk, a multifaceted provider of social services including welfare, education, recreation, cultural, medical and integrated health services to all ages in the community through its over 300 service units.

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 2024, 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

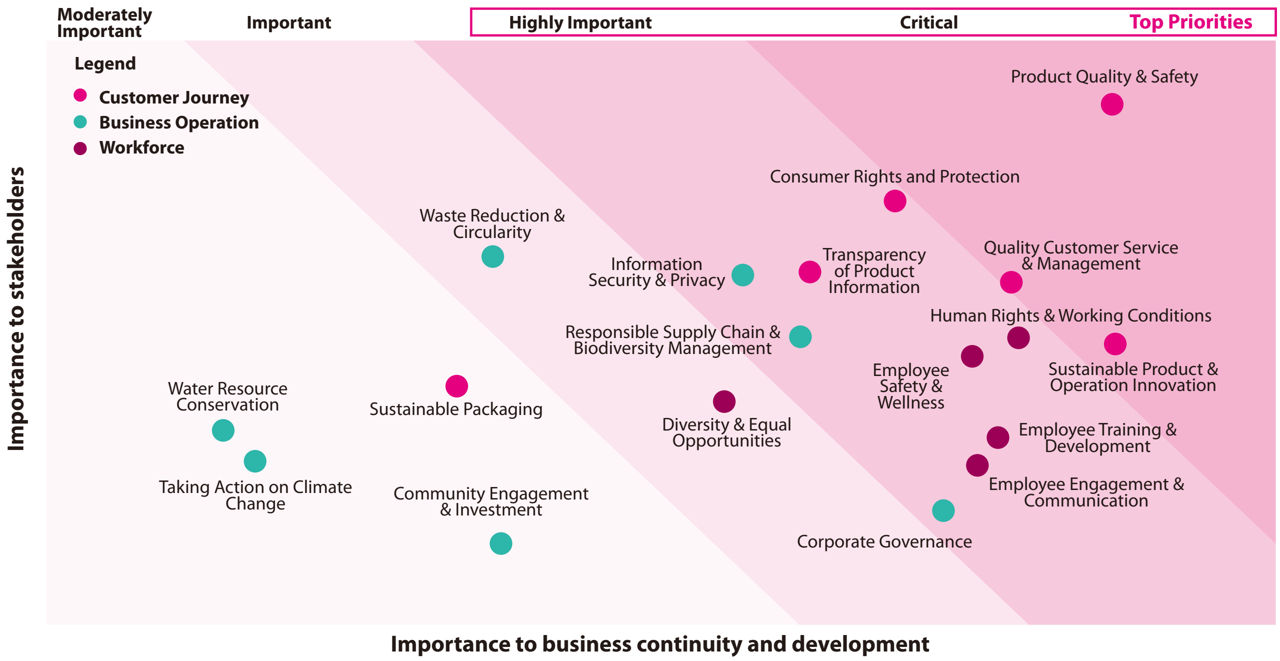
21% response rate within which **16%** provided free text feedbacks

In-depth **1:1** interviews with institutional investors

Materiality Assessment Process

1. Review corporate vision, existing sustainability initiatives, past materiality assessment process and results.
2. Align directions and expectations to prepare for the materiality assessment.
3. Peer analysis of material issues.
4. Selection of material issues specific to Sa Sa.
5. 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.
6. Survey sampling. Stakeholders identification and determination of sample size.
7. Survey invitation and managing response.
8. Development of discussion guide for in-depth one-on-one interviews with institutional investors.
9. Interview invitation and conducting the interviews.
10. Analysing survey results and findings from interviews.
11. Survey analytic report and investors interview insight report prepared and presented to the Board and Management.
12. 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 13th 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 2024. 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	2023/24	2022/23	2021/22
Headcount	**Total**		persons	**1,673**	1,557	1,752
	By gender	Male	persons	349 (20.9%)	322 (20.7%)	366 (20.9%)
		Female	persons	1,324 (79.1%)	1,235 (79.3%)	1,386 (79.1%)
	By age group	under 36	persons	598 (35.7%)	508 (32.6%)	643 (36.7%)
		36-55	persons	938 (56.1%)	926 (59.5%)	978 (55.8%)
		Over 55	persons	137 (8.2%)	123 (7.9%)	131 (7.5%)
	By employee type	Full-time	persons	1,484 (88.7%)	1,430 (91.8%)	1,621 (92.5%)
		Part-time/Temporary	persons	189 (11.3%)	127 (8.2%)	131 (7.5%)
Total no. of employees trained			persons	**1,491**	426	767
Total no. of training hours			hours	**212,969**	58,585	45,742
Average hours of training per employee (percentage of employees who received training)	**Total**		hours	**127.3 (89.1%)**	37.6 (27.4%)	26.1 (43.8%)
	By gender	Male	hours	55.9 (85.4%)	5.3 (31.7%)	7.4 (44.8%)
		Female	hours	146.1 (90.1%)	46.0 (26.2%)	31.1 (43.5%)
	By Employee category	Management	hours	19.9 (60.0%)	10.1 (79.2%)	3.6 (53.8%)
		Managers	hours	140.9 (90.6%)	33.1 (43.1%)	2.0 (35.4%)
		All other employees	hours	126.7 (89.4%)	39.0 (23.4%)	31.1 (45.2%)
	By Function	Stores	hours	168.6 (88.6%)	43.2 (9.2%)	24.6 (26.0%)
		Office	hours	16.6 (55.2%)	8.7 (57.9%)	2.5 (55.4%)
		Logistics centre	hours	62.2 (141.0%)	50.0 (76.6%)	67.6 (124.8%)
Fatality			cases	**0**	0	0
Work-related injuries			cases	**12**	18	14
Lost day due to work injury			days	**239**	503	1,141
Average days of sick leave taken per employee per month			day	**0.3**	0.5	0.3

	2023/24		2022/23		2021/22	
	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]	**29.6%**	**17.9%**	39.6%	29.6%	37.5%	28.0%
By gender						
Male	32.0%	15.7%	46.9%	34.0%	34.7%	25.8%
Female	29.0%	18.5%	37.6%	28.4%	38.2%	28.5%
By gender						
Under 36	42.6%	24.4%	59.1%	42.6%	59.5%	37.7%
36-55	21.7%	13.2%	26.9%	19.9%	23.4%	19.2%
Over 55	33.2%	25.4%	50.8%	48.8%	32.2%	31.2%

Note to the Sustainability Data:

1. Full-time employees only.

SUSTAINABILITY DATA: ENVIRONMENTAL

Description			Unit	2023/24	2022/23	2021/22	Baseline	Base Year
GHG Emissions[1]	**Total (GHG emissions)**		tCO_2e	**6,082**	6,128	7,302	19,498	2014/15
	Total (Scope 1 and Scope 2)		tCO_2e	**5,966**	6,023	7,182	19,200	2014/15
	Scope 1	Company-owned trucks and private cars[2]	tCO_2e	83	92	142	137	2014/15
	Scope 2	Purchased electricity used in our offices, logistics centre and stores[3]	tCO_2e	5,883	5,931	7,040	19,063	2014/15
	Scope 3	**Total (Scope 3)**	tCO_2e	**116**	105	120	298	2014/15
		Business air travel	tCO_2e	10	2	0	143	2014/15
		Electricity used for fresh water processing and sewage treatment	tCO_2e	5	2	4	18	2014/15
		Trucks owned by the external logistics service providers	tCO_2e	73	70	84	242	2016/17
		Waste disposal at landfills[4]	tCO_2e	28	31	32	32	2021/22
Carbon Intensity			kg CO_2e/sqm GFA	**136**	130	143	363	2014/15
			kg CO_2e/HKD1m revenue	**1,784**	2,060	2,511	2,663	2014/15
			kg CO_2e/headcount	**3,635**	3,936	4,167	4,167	2021/22
Energy consumption	**Total (Energy consumption)**		MWh	**12,413**	12,373	13,896	26,392	2014/15
	Electricity Consumption (indirect)	**Total (Electricity consumption)**	MWh	**12,090**	12,018	13,358	26,392	2014/15
		Stores	MWh	8,594	8,130	10,016	23,105	2014/15
		Offices	MWh	1,187	1,201	1,306	1,407	2014/15
		Logistics centre	MWh	2,309	2,687	2,036	1,880	2014/15
	Non-renewable fuel consumption (petrol and diesel)		MWh	**323**	355	538	538	2021/22
Electricity intensity			kWh/sqm GFA	**270**	255	262	491	2014/15
			kWh/HKD1m revenue	**3,546**	4,040	4,593	2,604	2014/15
Water consumption[5]			cu.m	**7,117**	3,819	5,824	30,691	2014/15
Water intensity[6]			cu.m/ headcount	**4.3**	2.5	3.3	3.3	2021/22
Vehicle Fuel Consumption	**Total (Vehicle fuel consumption)**		L	**59,278**	61,156	85,288	140,458	2016/17
	Company-owned trucks and private cars		L	31,455	34,581	53,558	50,119	2014/15
	Trucks owned by external logistics service providers		L	27,823	26,575	31,730	81,800	2016/17
Vehicle fuel efficiency			L/sqm GFA	**1.3**	1.3	1.7	0.9	2014/15
			L/HKD1m revenue	**17**	21	29	19	2014/15
Vehicle emissions	SO_X		g	**936**	964	1,325	2,115	2016/17
	NO_X (for trucks only)		g	**831,578**	798,485	NA	798,485	2022/23
	PM (for trucks only)		g	**77,385**	74,072	NA	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 96. 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 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 HKSAR Government.
5. Calculated by reference to the water and sewage charges paid in the period. The reduction was due partly to the concessions granted by the HKSAR Government as relief measures to support businesses.
6. Organisation-specific metrics for calculating water intensity changed from GFA and revenue to number of employees since 2021/22 to reflect the amount of water used per person for washing and cleaning purposes.

Description		Unit	2023/24	2022/23	2021/22	Baseline	Base Year
Paper consumption[7]	**Total**[1]	'000 pcs (kg)	**3,215 (16,074)**	3,499 (17,495)	4,218 (21,088)	9,316 (47,056)	2014/15
	Stores	'000 pcs (kg)	1,963 (9,817)	2,152 (10,760)	1,933 (9,663)	1,933 (9,663)	2021/22
	Offices	'000 pcs (kg)	386 (1,928)	413 (2,066)	644 (3,218)	644 (3,218)	2021/22
	Logistics centre	'000 pcs (kg)	866 (4,330)	934 (4,669)	1,642 (8,208)	1,642 (8,208)	2021/22
Paper use intensity		pcs/headcount	**1,922**	2,247	2,407	2,872	2014/15
		pcs/HKD1m revenue[2]	**943**	1,176	1,450	1,450	2021/22
Business air travel[7]		'000 km travelled	**160**	32	0	929	2014/15
Business air travel intensity		'000 km travelled/ headcount	**0.10**	0.02	0	286	2014/15
		kg CO_2e/HKD1m revenue	**3.1**	0.7	0	20	2014/15
Packaging:							
Carton box consumption[3,7]	**Total**	'000 pcs (kg)	**793 (290,110)**	933 (329,578)	1,161 (406,493)	874 (329,653)	2020/21
	Offline	'000 pcs (kg)	178 (143,316)	188 (151,531)	233 (199,450)	305 (261,082)	2015/16
	Online	'000 pcs (kg)	615 (146,794)	745 (178,047)	928 (207,043)	661 (157,972)	2020/21
Bubble wrap consumption		kg	**5,433**	12,875	19,907	19,907	2021/22
Air pillow consumption		kg	**10,927**	8,265	10,836	10,836	2021/22
Stretch film consumption		kg	**16,609**	20,560	18,663	18,663	2021/22
Plastic pallet consumption		kg	**0**	0	1,000	1,000	2021/22
Wooden pallet consumption		kg	**0**	0	18,000	18,000	2021/22
Shopping bag consumption[4,7]		'000 pcs	**1,424**	1,182	1,184	3,010	2014/15
Shopping bag consumption intensity		pcs/transaction	**0.13**	0.13	0.14	0.18	2017/18
Resources recycled[5]**:**							
Paper	Offices	kg	**18,886**	19,349	18,635	18,602	2014/15
	Logistics centre	kg	**174**	2,040	1,800	232,600	2018/19
Plastic	Total	kg	**3,900**	3,400	5,790	20,996	2018/19
	– Plastic pallet	kg	0	0	90	90	2021/22
	– Stretch film	kg	3,900	3,400	5,700	5,700	2021/22
Carton box		kg	**91,960**	90,020	89,700	89,700	2021/22
Resources reused:							
Carton box		kg	**128,100**	98,100	55,200	55,200	2021/22
Non-Hazardous waste[6]	Solid	tonnes	**25.2**	27.7	27.4	19.2	2019/20
	Liquid	tonnes	**12.8**	15	16.1	15.7	2019/20
Hazardous waste	Chemical	tonnes	**0**	0	0	3.9	2015/16
Waste Intensity		kg/HKD1m revenue	**11.2**	14.3	15	15	2021/22

Notes to the Sustainability Data:

1. Total may not add up due to rounding.
2. The denominator changed from kg CO_2e to pcs since 2021/22.
3. The carton box consumption for offline and online were disclosed separately since 2021/22.
4. Excluding reusable shopping bags.
5. Aluminium cans and plastic containers for personal use recycled by employees in the offices no longer disclosed since 2021/22.
6. Personal waste generated by employees replaced by waste from operations from financial year 2021/22.
7. Rounded to the nearest thousand.

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.94, p.105
KPI A1.1	The types of emissions and respective emissions data.	p.96, p.127
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.96, p.127
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.102, p.128
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	p.102, p.128
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	p.98
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.	pp.102-104
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	p.94
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.96, p.127
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	p.101, p.127
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	pp.97-98
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.	pp.101-102
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	p.99, p.128
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	p.94
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	pp.94-105, p.116
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.94
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.94, pp.97-98
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.106, p.113
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	pp.106-107, p.126
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	p.126
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.106, p.113
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	p.112, p.126
KPI B2.2	Lost days due to work injury.	p.112, p.126
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	pp.111-112

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.106, pp.108-111
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	p.107, p.126
KPI B3.2	The average training hours completed per employee by gender and employee category.	p.107, p.126
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.106, p.108, p.113
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	p.106, p.108, p.113
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	p.106, p.108, p.113
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	p.114, p.119
KPI B5.1	Number of suppliers by geographical region.	p.119
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.119
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.119
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.116, p.119
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.114, p.116, pp.118-119
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	p.115
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	p.115
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	p.115, p.119
KPI B6.4	Description of quality assurance process and recall procedures.	p.115
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	p.114, p.118
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.113
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.113
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	p.113, p.119
KPI B7.3	Description of anti-corruption training provided to directors and staff.	p.113
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.120
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	pp.120-123
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	p.120

HKQAA – VERIFICATION STATEMENT

HKQAA HONG KONG QUALITY ASSURANCE AGENCY 香港品質保證局

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 "Sustainability Data Statement – Environmental" ("SD Statement") for Sa Sa International Holdings Limited (Stock Code: 178). The scope of HKQAA's verification covers the data and information of Greenhouse Gas (GHG) emission (scope 1 and 2), energy consumption and vehicle fuel consumption (company-owned trucks and private cars only) for Sa Sa in the period of 1st April 2023 to 31st March 2024 for its major operations in Hong Kong and Macau (i.e., offices, logistics centre and retail shops), as disclosed in the "SD Statement".

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

Level of Assurance and Methodology

The process applied in this verification was based on 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 process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process covered the criteria set in the GHG Protocol.

The verification process included verifying information relevant to the management system and process for collecting, collating and reporting environmental performance data in terms of GHG emission, energy consumption and vehicle fuel consumption. Raw data and supporting evidence of the selected representative samples were also thoroughly examined during the verification process.

Independence

Sa Sa is responsible for the collection and presentation of the information in the "SD Statement". HKQAA does not involve in compiling or in the development of the "SD Statement". Our verification activities are independent from Sa Sa. There was no relationship between HKQAA and Sa Sa that would affect the independence of HKQAA for providing the verification service.

Conclusion

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

- The "SD Statement" has been prepared in accordance with the GHG Protocol;
- The data and information disclosed in the "SD Statement" are reliable.

Nothing has come to HKQAA attention that the selected sustainability performance information and data contained in the "SD Statement" has not been prepared and presented fairly and honestly, in material aspects, in accordance with the verification criteria.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine

Jorine Tam
Director, Strategic Business
June 2024

INVESTOR RELATIONS REPORT

Enhance Transparency and Provide Shareholders with a Fair Account of the Group's Affairs to Enable Them to Make Informed Decisions

"A Brand is successful not by its own words, but by the words and actions of its customers, and the same is true for Corporates and Investor Relations."

We believe an effective communication strategy is essential to enhance transparency and provide individuals and institutions (collectively named as "Shareholders") with a fair account of the Group's affairs and enable them to make informed decisions. In so doing the Group seeks to gain the Shareholders recognition and understanding of our approach, and appreciation for the transparency with which the Group acts, maintaining our reputation in the market.

The Group strives to maintain a timely, transparent, and accurate information delivery and communication process on a non-exclusionary basis. We endeavour to ensure that all information published is factual and presented in a clear and balanced manner, disclosing both positive and negative information objectively, so that the investment community can make informed investment decisions. Immersing in two-way communication between the Group and the Shareholders, the Group can explore new thoughts and ideas to continuously improve our process and deliverables.

The Group welcomes change and adapts to the changing environment and needs. To facilitate communication with the Shareholders, the Group adopts digital investor relations practices to improve communication efficiency, user experience and lessen its environmental impact.

In addition, the Group is committed to continuous improvement of its environmental, social and governance ("ESG") strategy and execution on a systematic basis and has enriched its ESG disclosure through various communication channels. Starting from last year the Group has engaged an independent third party to provide reasonable assurance in respect of its ESG disclosures, and its report can be found on page 88 to 131.

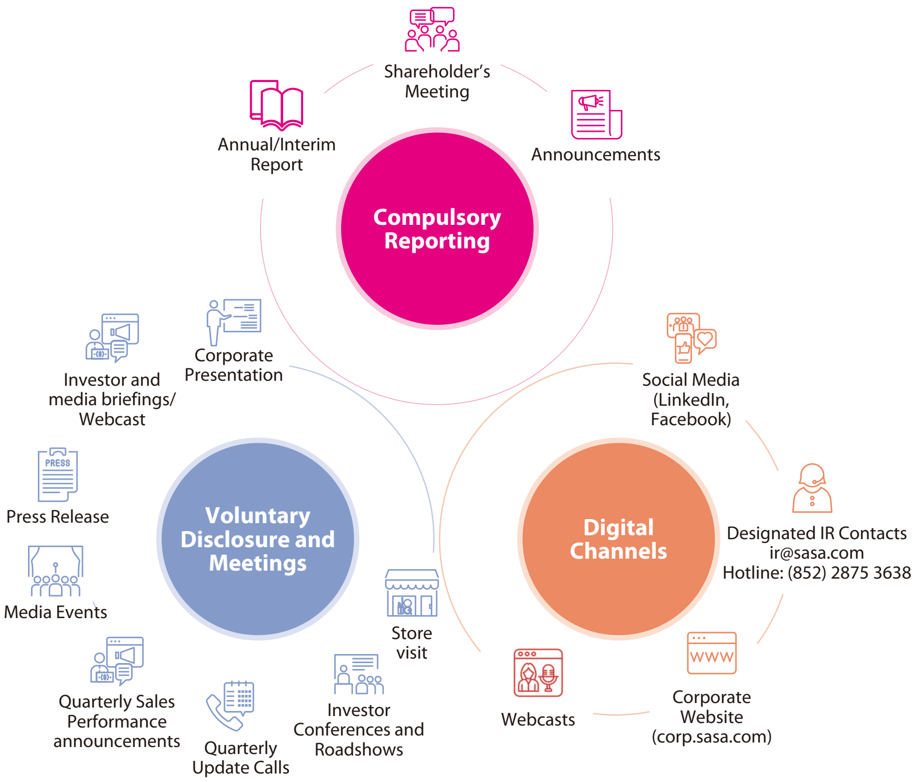
The Board reviews the corporate and Shareholder communications policy annually and is satisfied with its effectiveness to ensure prompt dissemination of corporate communications to enable Shareholders and other stakeholders to keep abreast of the Group's business and development.

Mr Danny HO
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

The Group understands the importance of transparency in our investor communications programme. Our corresponding strategies seek to provide transparency on latest developments and their impact on the Group's performance and this is a key focus in our core communications materials, including financial reports, announcements, press releases and social media posts. We ensure the ongoing impact of macro-environment on the Group's operations and financials is effectively communicated in a timely and transparent manner at each and every investor meeting or event, for example, how the Group was reacting to a re-opening of the boundaries between Hong Kong and Macau with Mainland China.

Roadshow and Conference

Q1 Apr - Jun	Q2 Jul - Sept	Q3 Oct - Dec	Q4 Jan - Mar
Result Announcement *Organiser: Sa Sa Annual Results Investor Presentation (Hybrid)*	**Q1 Sales Update** *Organiser: CICC (Online)*	**Result Announcement** *Organiser: Sa Sa Interim Results Investor Presentation (Hybrid)*	**Investor presentation** *Organiser: CITI (Online)*
Result Announcement *Organiser: Point 72 Asset Management (Offline)*	**Q1 Sales Update** *Organiser: eFund (Online)*	**Q2 Sales Update** *Organiser: Point 72 Asset Management (Online)*	**Sales update** *Organiser: Jefferies (Online)*
Result Announcement *Organiser: Shorea Fund (Online)*	**Q1 Sales Update** *Organiser: Zhonggeng (Offline)*	**Q2 Sales Update** *Organiser: DBS (Online)*	**Corporate Day** *Organiser: CGS-CIMB (Online)*
Result Announcement *Organiser: Chartwell Capital (Online)*	**Store Visit and business update** *Organiser: Jefferies (Offline)*		**Investor presentation** *Organiser: Marubeni (Offline)*
	Investor presentation *Organiser: Sumitomo (Offline)*		**Business update** *Organiser: Jefferies (Online)*
	Investor presentation *Organiser: Templeton (Offline)*		**Investor presentation** *Organiser: Truffle Hound (Offline)*
	Investor presentation *Organiser: Guoyuan (Offline)*		**Investor presentation** *Organiser: Parkway Asia (Online)*
			Investor presentation *Organiser: Orient Capital (Offline)*
			Investor presentation *Organiser: Barrow Hanley (Offline)*
			Business Update *Organiser: Chartwell Capital (Online)*
			Jefferies 5th Asia Forum *Organiser: Jefferies (Offline)*
			Investor presentation *Organiser: Marathon Asset (Offline)*
			Investor presentation *Organiser: Janchor Partners (Offline)*

FY2023/24

Information for Shareholders

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 24 August 2023. Particulars of the major items considered at the AGM are set out in the circular dated 18 July 2023. All proposed ordinary resolutions were passed by way of poll voting at the AGM. The 2024 AGM will be 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.

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.

Shareholders also have the opportunity to put enquiries to the Board at any general meetings held by the Company. Enquiries may also be made at any time by email to Investor Relations at ir@sasa.com or by writing to 8th Floor, Block B, MP Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong.

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 the same address mentioned above 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.

Shareholder Information

Financial Calendar

FY2023/24 interim results announcement	17 November 2023
FY2023/24 annual results announcement	20 June 2024
For determining shareholders' eligibility to attend and vote at AGM Closure of register of members	19–22 August 2024 (both days inclusive)
Record Date for eligibility to attend and vote at AGM	22 August 2024
Annual General Meeting	22 August 2024
FY2024/25 interim results announcement	Mid to late November 2024

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 2024	3,103,189,458
Public float as at 31 March 2024	Approximately 35.8%

Share Performance	FY2023/24	FY2022/23
Closing price as at 31 March (HK$ per share)	0.83	1.84
Highest price (HK$ per share)	1.96	2.15
Lowest price (HK$ per share)	0.78	0.84
Average daily trading volume (million shares)	3.1	6.3
Average daily trading amount (HK$ million)	4.0	10.1

Market Capitalisation

As at 31 March	Market Capitalisation HK$ Billion
2024	2.6
2023	5.7
2022	4.3
2021	5.5
2020	3.6

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		Special		Total	Dividend Yield (%)	Dividend Payout Ratio
	Interim	Final	Interim	Final			
2023/24	–	5.0	–	–	5.0	6.0	70.9%
2022/23	–	–	–	–	–	–	–
2021/22	–	–	–	–	–	–	–
2020/21	–	–	–	–	–	–	–
2019/20	–	–	–	–	–	–	–

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 K a Yip Street, Chai Wan, Hong Kong
Investor relations hotline: (852) 2975 3638
Fax: (852) 2595 0797
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 Abacus 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 year ended 31 March 2024.

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 29 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 3 to the consolidated financial statements.

Business Review

A fair review of the Group's business is provided in the MD&A section (pages 29 to 44). Description of the principal risks and uncertainties facing the Group can be found in the ERM report (pages 80 to 87). 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 10 to 15) and the MD&A section (pages 44 to 48). Certain financial key performance indicators which complement and supplement our financial disclosures are set out on pages 22 to 25. 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 the report of the directors.

Results and Appropriations

The results for the year are set out in the consolidated income statement on page 156.

The Board has resolved not to pay any interim dividend for the six months ended 30 September 2023 (2023: Nil). The Board proposed the payment of a final dividend of 5.0 HK cents per Share (2023: Nil), such dividend will be proposed for approval by Shareholders at the AGM to be held on Thursday, 22 August 2024, and are payable to Shareholders whose names appear on the Register of Members of the Company on Thursday, 29 August 2024. Total dividends paid (nil) and to be paid in respect of the year ended 31 March 2024 amounted to HK$155,159,000.

Dividend Policy

The Company has a policy on the payment of dividends, which is set out in the Corporate Governance report on page 79.

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 22 to 25 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 25 and 30 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 12 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 24 to the consolidated financial statements.

Equity-linked Agreements

Save for the Share Option Schemes as set out on pages 138 to 143 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 2023 and 31 March 2024 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 2024. 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 20 June 2024, 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:

Name	Date of grant	Subscription price per Share (HK$)	Exercise period	Number of Share Options: Outstanding as at 1 April 2023	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2024
Directors								
Ms KWOK Sze Wai Melody	21 Jun 2013	8.07	21 Jun 2016 to 20 Jun 2023	50,000	–	–	(50,000)	–
Ms KWOK Sea Nga Kitty	21 Jun 2013	8.07	21 Jun 2016 to 20 Jun 2023	100,000	–	–	(100,000)	–
Ms LEE Yun Chun Marie-Christine	13 Apr 2018	4.65	13 Apr 2020 to 12 Apr 2028	100,000	–	–	–	100,000
Ms KI Man Fung Leonie	13 Apr 2018	4.65	13 Apr 2020 to 12 Apr 2028	100,000	–	–	–	100,000
Mr TAN Wee Seng	13 Apr 2018	4.65	13 Apr 2020 to 12 Apr 2028	100,000	–	–	–	100,000
Employees	21 Jun 2013	8.07	21 Jun 2016 to 20 Jun 2023(1)	2,569,000	–	–	(2,569,000)	–
			21 Jun 2016 to 20 Jun 2023(2)	50,000	–	–	(50,000)	–
			21 Jun 2016 to 20 Jun 2023(3)	20,000	–	–	(20,000)	–
			21 Jun 2016 to 20 Jun 2023(4)	120,000	–	–	(120,000)	–
				3,209,000	–	–	(2,909,000)	300,000

There are no share options 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.

Notes:

(1) On 21 June 2013, the Company granted share options to certain employees of the Company in order to reward them for contributing to the long term success of the business of the Group and to encourage and motivate them to continue to contribute to the success of the Group.

(2) The grantee, Mr KWOK Siu Hung Vincent, is an associate of the chief executive and directors of the Company.

(3) The grantee, Mr KWOK Siu Keung Paul, is an associate of the chief executive and directors of the Company.

(4) The grantee, Mr LAW Kin Ming Peter, is an associate of the chief executive and directors of the Company.

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 2023 and 31 March 2024 was both 310,318,945. The number of options available for grant under the Service Provider Sublimit as at 1 April 2023 and 31 March 2024 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 2023 and 31 March 2024 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 20 June 2024, 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 2024, a total of 7,292,000 awarded Shares had been granted pursuant to the Share Award Scheme, out of which 295,000 awarded Shares remained unvested. During the year, no 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*	Closing price of the Shares immediately before the date on which the awarded Shares were vested (HK$)	Outstanding as at 1 April 2023	Awarded during the year	Vested during the year	Lapsed during the year	Outstanding as at 31 March 2024
Director										
Mr HO Danny Wing Fi	20 Dec 2022	1.89	–	20 Dec 2022 to 18 Apr 2023	1.91	200,000	–	(200,000)	–	–
Employees	8 Feb 2024	0.82	0.85	8 Feb 2024 to 6 Aug 2024	–	–	100,000	–	–	100,000
				8 Feb 2024 to 19 Aug 2025	–	–	50,000	–	–	50,000
				8 Feb 2024 to 19 Sept 2025	–	–	50,000	–	–	50,000
				8 Feb 2024 to 14 Dec 2025	–	–	50,000	–	–	50,000
				8 Feb 2024 to 21 Feb 2025	0.86	–	30,000	(15,000)	–	15,000
				8 Feb 2024 to 20 Nov 2025	–	–	30,000	–	–	30,000
						200,000	310,000	(215,000)	–	295,000

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 period.

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 2024 are set out in note 29 to the consolidated financial statements.

Capitalised Interest

No interest was capitalised by the Group during the year (2023: Nil).

Distributable Reserves

As at 31 March 2024, the reserves of the Company available for distribution amounted to HK$1,849,806,000 (2023: HK$1,846,254,000).

Donations

The Group made donations during the year totalling HK$2,797,000 (2023: HK$1,092,000).

Directors

The Directors who held office during the year 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: 31 August 2022

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

- date of appointment: 3 December 1996*
- date of last re-election in AGM: 31 August 2022

Ms KWOK Sze Wai Melody, *MH, JP*◊

- date of appointment: 2 September 2019*
- date of last re-election in AGM: 24 August 2023

Mr HO Danny Wing Fi (CFO)

- date of appointment: 30 June 2022*
- date of last re-election in AGM: 31 August 2022

Ms KWOK Sea Nga Kitty

- date of appointment: 31 August 2022*
- date of last re-election in AGM: 24 August 2023

Non-executive Director

Ms LEE Yun Chun Marie-Christine

- date of appointment: 26 February 2013
- date of last re-election in AGM: 31 August 2022
- term of directorship: three years commencing on 22 August 2022*

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: 15 September 2021
- term of directorship: three years commencing on 15 December 2021*

Mr TAN Wee Seng

- date of appointment: 26 June 2012
- date of last re-election in AGM: 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: 24 August 2023
- term of directorship: three years commencing on 27 August 2023*

Pursuant to Article 116 of the articles of association of the Company, Dr KWOK Siu Ming Simon, Dr KWOK LAW Kwai Chun Eleanor and Ms KI Man Fung Leonie will retire by rotation at the forthcoming AGM and, all being eligible, each of them will offer herself/himself for re-election.

* Subject to the provisions on rotation and retirement in the articles of association of the Company

◊ Since 1 July 2024

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

A revolving loan facility of up to HK$200,000,000 was made available to the Group on 31 March 2022 by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, executive directors and controlling shareholders of the Company (please see the announcement dated 31 March 2022 published by the Company for details). The facility expired on 30 March 2024 and was not renewed. No other 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 51 to 56 of this Annual Report.

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 March 2024, 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%
Mr HO Danny Wing Fi	200,000	–	–	–	200,000	0.0064%
Ms KWOK Sea Nga Kitty	110,000	–	–	–	110,000	0.0035%
Ms LEE Yun Chun Marie-Christine	–	–	–	100,000(3)	100,000	0.0032%
Ms KI Man Fung Leonie	–	–	–	100,000(3)	100,000	0.0032%
Mr TAN Wee Seng	–	–	–	100,000(3)	100,000	0.0032%

Notes:

(1) Based on 3,103,189,458 Shares in issue as at 31 March 2024.

(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 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 non-executive directors (including INEDs) and their movement during the year ended 31 March 2024 are disclosed in the share options section on page 140 of this report.

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 2024 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 140, 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 2024, 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 company	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 2024.

(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 2024, 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 28 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, 20 June 2024

INDEPENDENT AUDITOR'S REPORT

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 156 to 210, comprise:

- the consolidated statement of financial position as at 31 March 2024;
- 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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") 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") 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 judgment, 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.

The key audit matter identified in our audit is related to provision for inventory.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for inventory Refer to note 16 to the consolidated financial statements. The Group had net inventories of approximately HK$705.3 million as at 31 March 2024, which represented approximately 28.2% 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 ("SKU") and makes specific provision for near-expiry and slow-moving inventory by SKU, taking into consideration of the recent market conditions, the Group's sales strategy, goods return arrangement with suppliers, and marketability of inventories. The Group also estimates the shrinkage provision with reference to the level of inventory loss in current year. 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; – evaluated the estimates made by management by discussing with management on the latest market conditions, the Group's sales strategy, goods return arrangement with suppliers, historical sales performance of SKU, and marketability of inventories; – compared the level of inventories written-off during the year with the provision made in prior years. We also compared the shrinkage provision with the actual inventory loss for the past years; – tested system generated summary 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 HKFRSs 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 judgment 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 20 June 2024

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2024

	Note	**2024 HK$'000**	2023 HK$'000
Turnover	2	**4,367,496**	3,500,525
Cost of sales	5	**(2,584,141)**	(2,099,165)
Gross profit		**1,783,355**	1,401,360
Other income	2	**34,063**	56,166
Selling and distribution costs	5	**(1,300,359)**	(1,223,114)
Administrative expenses	5	**(227,822)**	(244,833)
Other (losses)/gains – net	4	**(4,103)**	11,907
Operating profit		**285,134**	1,486
Finance income	8	**9,012**	3,253
Finance costs	8	**(27,399)**	(19,100)
Profit/(loss) before income tax		**266,747**	(14,361)
Income tax (expense)/credit	9	**(47,864)**	72,608
Profit for the year attributable to owners of the Company		**218,883**	58,247
Earnings per share for profit attributable to owners of the Company for the year (expressed in HK cents per share)			
Basic	10	**7.1**	1.9
Diluted	10	**7.1**	1.9

The notes and disclosures on pages 161 to 210 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Note	2024 HK$'000	2023 HK$'000
Profit for the year		**218,883**	58,247
Other comprehensive income/(loss)			
Item that will not be reclassified subsequently to profit or loss			
Actuarial gains on retirement benefit obligations	23 (b)	**709**	8,490
Items that may be reclassified to profit or loss			
Currency translation differences of foreign subsidiaries recorded in translation reserve		**(8,983)**	(9,063)
Other comprehensive loss for the year, net of tax		**(8,274)**	(573)
Total comprehensive income for the year attributable to owners of the Company		**210,609**	57,674

The notes and disclosures on pages 161 to 210 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**203,357**	194,962
Right-of-use assets	13(a)	**642,237**	519,679
Rental deposits and other assets	14	**92,584**	70,327
Deferred tax assets	15	**181,600**	219,692
		1,119,778	1,004,660
Current assets			
Inventories	16	**705,303**	669,464
Trade receivables	17	**72,755**	65,707
Other receivables, deposits and prepayments	18	**145,659**	160,690
Cash and cash equivalents	19	**457,757**	303,256
Income tax recoverable		**2,866**	9,550
		1,384,340	1,208,667
LIABILITIES			
Current liabilities			
Trade payables	20	**306,648**	329,718
Other payables and accruals	21	**193,786**	203,196
Borrowings	22	**–**	30,000
Lease liabilities	13(b)	**298,136**	231,928
Income tax payable		**16,750**	8,954
		815,320	803,796
Net current assets		**569,020**	404,871
Total assets less current liabilities		**1,688,798**	1,409,531
Non-current liabilities			
Other payables		**29,896**	21,736
Lease liabilities	13(b)	**394,012**	333,675
Retirement benefit obligations	23	**12,561**	12,660
Deferred tax liabilities	15	**240**	279
		436,709	368,350
Net assets		**1,252,089**	1,041,181
EQUITY			
Capital and reserves			
Share capital	24	**310,319**	310,319
Reserves	25	**941,770**	730,862
Total equity		**1,252,089**	1,041,181

The consolidated financial statements on pages 156 to 210 were approved by the Company's Board of Directors on 20 June 2024 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 161 to 210 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Note	Share capital HK$'000	Reserves HK$'000	Total HK$'000
		Attributable to owners of the Company		
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	24(c) & 25	**–**	**115**	**115**
Unclaimed dividends forfeited	25	**–**	**184**	**184**
Total transactions with owners, recognised directly in equity		**–**	**299**	**299**
Balance at 31 March 2024		**310,319**	**941,770**	**1,252,089**

	Note	Share capital HK$'000	Reserves HK$'000	Total HK$'000
		Attributable to owners of the Company		
Balance at 1 April 2022		310,319	672,589	982,908
Profit for the year		–	58,247	58,247
Other comprehensive income/(loss):				
Actuarial gains on retirement benefit obligations		–	8,490	8,490
Currency translation differences of foreign subsidiaries recorded in translation reserve		–	(9,063)	(9,063)
Total comprehensive income for the year		–	57,674	57,674
Share award scheme:				
Value of employee services	24(c) & 25	–	281	281
Unclaimed dividends forfeited	25	–	318	318
Total transactions with owners, recognised directly in equity		–	599	599
Balance at 31 March 2023		310,319	730,862	1,041,181

The notes and disclosures on pages 161 to 210 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	Note	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Cash generated from operations	26(a)	**581,483**	493,319
Hong Kong profits tax paid		**(2,330)**	(2,132)
Overseas tax refunded		**6,026**	35
Net cash generated from operating activities		**585,179**	491,222
Cash flows from investing activities			
Purchase of property, plant and equipment		**(68,632)**	(59,406)
Proceeds from disposal of property, plant and equipment	26(b)	**220**	1
Decrease in time deposits		**–**	241
Interest received		**6,514**	2,264
Net cash used in investing activities		**(61,898)**	(56,900)
Cash flows from financing activities			
Payment for lease liabilities (including interest)	13(b)	**(331,590)**	(346,629)
Loan interest payment		**(1,153)**	(2,403)
Unclaimed dividends forfeited		**184**	318
Proceeds from borrowings	26(c)	**32,000**	61,494
Repayment of borrowings	26(c)	**(62,000)**	(133,978)
Net cash used in financing activities		**(362,559)**	(421,198)
Net increase in cash and cash equivalents		**160,722**	13,124
Cash and cash equivalents at beginning of year		**303,256**	296,478
Effect of foreign exchange rate changes		**(6,221)**	(6,346)
Cash and cash equivalents at end of year	19	**457,757**	303,256

The notes and disclosures on pages 161 to 210 are an integral part of these consolidated financial statements.

MATERIAL ACCOUNTING POLICIES

Apart from the material accounting policies presented within the corresponding notes to the consolidated financial statements, other material accounting policies are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of preparation

Compliance with HKFRS and the disclosure requirements of HKCO

Sa Sa International Holdings Limited (the "Company") and its subsidiaries are collectively referred to as (the "Group") in the consolidated financial statements. The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and disclosure requirements of Hong Kong Companies Ordinance. 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:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the 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 "Critical Accounting Estimates and Judgements" on page 170.

2 Changes in accounting policies

(i) Amendments to standards for the first time for the financial year beginning 1 April 2023 were adopted

- Amendments to Hong Kong Accounting Standard ("HKAS") 1 and HKFRS Practice Statement 2, "Disclosure of Accounting Policies";
- Amendments to HKAS 8, "Definition of Accounting Estimates";
- Amendments to HKAS 12, "International Tax Reform – Pillar Two Model Rules".

All amendments to standards listed above do not have a material impact on the Group's accounting policies.

(ii) Amendments to standards and revised to interpretation have been issued but not yet adopted

The following amendments to existing standards and revised to interpretation have been issued but are not effective for the financial year beginning on or after 1 April 2023 and have not been early adopted:

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 April 2024
Amendments to HKAS 1	Non-current Liabilities with Covenants	1 April 2024
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback	1 April 2024
Hong Kong Interpretation 5 (Revised)	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 April 2024
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements	1 April 2024
Amendments to HKAS 21	Lack of Exchangeability	1 April 2025

The Group will apply these amendments to existing standards and revised to interpretation in the year of initial application. Given the current status of the Group, the directors do not expect the adoption of the amendments to existing standards and revised to interpretation will have a material impact on the Group's results of operations and financial position.

3 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.

4 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.

5 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.

6 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.

(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 (losses)/gains – net" together with foreign exchange gains and losses.

6 Financial assets (continued)

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses ("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 17 for further details.

7 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.

8 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 Hong Kong dollar ("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 (losses)/gains – net".

(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.

8 Foreign currency translation (continued)

(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.

9 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 9(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.

(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.

9 Employee benefits (continued)

(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 recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits.

10 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).

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.

10 Share-based payment (continued)

(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.

11 Government grants

Grants from the government are recognised at their fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

FINANCIAL RISK MANAGEMENT

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 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 and 2023.

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 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 ECL is close to zero and no provision was made as at 31 March 2024 and 2023.

(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 2024 and 2023.

1 Financial risk factors (continued)

(ii) Credit risk (continued)

(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 2024, 91.1% (2023: 86.1%) 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 17.

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.

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$2,856,000 (2023: HK$3,106,000) were made as at 31 March 2024.

Movements on the Group's provision for ECL of trade receivables are disclosed in Note 17.

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 2024, the Group's financial liabilities included mainly trade payables and other payables amounting to HK$398,173,000 (2023: HK$422,108,000), which were substantially due within 3 months, lease liabilities amounting to HK$320,036,000 (2023: HK$245,687,000) and HK$410,702,000 (2023: HK$346,377,000) which were due within 12 months and over 12 months respectively.

As at 31 March 2024, there are no outstanding bank borrowing (2023: bank borrowings included revolving loans due within one year and contained a repayment-on demand clause with HK$30,000,000).

The undiscounted cash flows therefore approximate the carrying amounts as the impact of discounting is not significant.

1 Financial risk factors (continued)

(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 and liabilities of the Group are short-term bank deposits and short-term bank borrowings, details of which have been disclosed in Note 19 and 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.

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.

The table below analyses the Group's gearing ratio as at 31 March 2023:

	2023 HK$'000
Total borrowings	30,000
Total equity	1,041,181
Gearing ratio	2.9%

As at 31 March 2024, the Group had no outstanding borrowings (2023: HK$30,000,000), the gearing ratio is not applicable (2023: 2.9%).

As at 31 March 2024, the Group maintained a cash position of HK$457,757,000 (2023: HK$303,256,000).

The Group has complied with covenants of the major borrowing facilities throughout the year.

3 Fair value estimation

As at 31 March 2024 and 2023, the carrying values of trade receivables, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals, borrowings and lease liabilities are a reasonable approximation to their fair values.

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 no impairment of right-of-use assets and property, plant and equipment (2023: 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 made specific provision for near-expiry and slow-moving inventories, taking into consideration of the recent market conditions, the Group's sales strategy, goods return arrangement with suppliers, and 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 2024, the Group did not recognise deferred tax assets of HK$95,326,000 (2023: HK$90,737,000) in respect of tax losses and temporary differences amounting to HK$405,198,000 (2023: HK$376,916,000) and HK$50,305,000 (2023: HK$53,550,000) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

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 2024, 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.

2 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 amount of returns is 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.

2 Revenue and other income (continued)

Material Accounting Policy (continued)

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.

During the year ended 31 March 2024, the Group reconsidered the customers' demands and has changed the customer loyalty programme policy, which the awarded points issued from international online sales and HK, Macau and Mainland China offline sales in each year's fourth quarter will be carried forward to next fiscal year end (2023: All awarded points will expire on 31 March of each year). 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.

The Group is principally engaged in the retailing and wholesaling of cosmetic products. Turnover represents the sales of goods to customers. An analysis of revenues and other income recognised during the year is as follows:

	2024 **HK$'000**	2023 HK$'000
Turnover – recognised under HKFRS 15 at a point in time		
Retail, e-commerce and wholesale	**4,367,496**	3,500,525
Other income – recognised under other accounting standards		
Slide display rental income	**22,418**	17,664
Storage income	**11,645**	12,685
Government subsidies (Note)	**–**	25,817
	34,063	56,166

Note:
During the year ended 31 March 2023, wage subsidies of HK$25,424,000 were granted from the Hong Kong SAR government's Employment Support Scheme for the use of paying wages of employees and HK$240,000 were granted from the Beauty Parlours, Massage Establishments and Party Rooms Subsidy Scheme under Anti-Epidemic Fund. Remaining subsidy of HK$153,000 was granted from another subsidy scheme launched by the government of Malaysia.

The Group has complied with all attached conditions before 31 March 2023 and recognised the corresponding subsidies in the consolidated income statement.

2 Revenue and other income (continued)

(a) Revenue recognition in relation to contract liabilities

As at 31 March 2024, contract liabilities included receipts in advance and deferred revenue amounting to HK$13,336,000 (2023: HK$14,176,000) and HK$1,989,000 (2023: HK$250,000) respectively.

The following table shows the revenue recognised in the current reporting period relating to carried-forward receipts in advance and deferred revenue:

	2024 HK$'000	2023 HK$'000
Revenue recognised that was included in the receipts in advance and deferred revenue balance at the beginning of the year (Note 21)	**14,426**	25,543

There was no revenue recognised for the years ended 31 March 2024 and 2023 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.

3 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 principally from a geographic perspective and assess the performance of the geographic segments based on a measure of segments results. In the current year, executive directors revisited the Group's business model and considered there is a new trend in using online-merge-offline retail model. Executive directors decided to merge the online and offline business from geographic perspective and believe that the change in presentation will result in a more appropriate presentation of the financial information of the Group and strategic and operating decision making. The business reportable segments identified are Hong Kong and Macau, Mainland China, Southeast Asia and Others. The segment information in prior year has been restated for the change in presentation.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, deferred tax assets, inventories, receivables, deposits and prepayments, cash and cash equivalents and income tax recoverable. Capital expenditure comprises additions to property, plant and equipment.

3 Segment information (continued)

The breakdown of key segment information including total turnover from external customers is disclosed below.

	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**

	For the year ended 31 March 2023				
	Hong Kong & Macau HK$'000 (Restated)	Mainland China HK$'000 (Restated)	Southeast Asia HK$'000 (Restated)	Others HK$'000 (Restated)	Total HK$'000
Turnover	2,593,961	529,963	371,981	4,620	3,500,525
Segment results	110,979	(70,457)	20,465	(2,740)	58,247
Other information					
Capital expenditure	45,221	1,711	11,655	–	58,587
Finance income	1,872	339	1,042	–	3,253
Finance costs	15,599	1,584	1,917	–	19,100
Income tax (credit)/expense	(80,002)	(46)	7,443	(3)	(72,608)
Depreciation of property, plant and equipment	54,769	5,007	3,776	–	63,552
Depreciation of right-of-use assets	241,978	8,834	24,740	–	275,552
(Reversal of provision)/provision for slow moving inventories and shrinkage	(8,077)	4,665	(1,898)	–	(5,310)

3 Segment information (continued)

	Hong Kong & Macau HK$'000	Mainland China HK$'000	Southeast Asia HK$'000	Others HK$'000	Total HK$'000
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**
At 31 March 2023	(Restated)	(Restated)	(Restated)	(Restated)	
Non-current assets	897,965	21,959	84,736	–	1,004,660
Current assets	918,062	131,556	155,040	4,009	1,208,667
Total assets as per consolidated statement of financial position					2,213,327

4 Other (losses)/gains – net

	2024 HK$'000	2023 HK$'000
Net exchange losses (Note (a))	**(4,103)**	(5,994)
Gains on derecognition of lease liabilities and right-of-use assets (Note (b))	**–**	17,901
	(4,103)	11,907

Note:

(a) Net exchange losses are accounted for in accordance with Material Accounting Policy No. 8.

(b) During the year ended 31 March 2023, the Group has closed a number of stores before the end of the leases. An impairment loss for the corresponding right-of-use assets has been made in the prior year. The remaining lease liabilities and right-of-use assets of these leases were derecognised upon early termination, which resulted in gains of HK$17,901,000.

5 Expenses by nature

	2024 HK$'000	2023 HK$'000
Cost of inventories sold	**2,580,402**	2,104,475
Employee benefit expenses (including directors' emoluments) (Note 6)	**689,633**	661,943
Depreciation expenses		
– right-of-use assets (Note 13(a))	**312,815**	275,552
– property, plant and equipment (Note 12)	**63,834**	63,552
Lease rentals in respect of land and buildings		
– lease rental for short-term leases	**48,103**	61,247
– contingent rent	**38,335**	32,886
– rent concession related to COVID-19 (Note)	**(917)**	(17,688)
Advertising and promotion expenses	**67,985**	58,531
Building management fees, government rent and rates	**65,280**	67,686
Transportation and delivery charges	**38,693**	47,198
Bank and credit card charges	**37,864**	32,093
Utilities and telecommunication	**31,893**	32,124
Outsource warehouse handling expenses and platform charges	**26,687**	35,595
Repair and maintenance	**22,736**	20,632
Packaging expenses	**13,826**	14,298
Postage, printing and stationery	**6,187**	6,212
Provision/(reversal of provision) for slow moving inventories and shrinkage (Note 16)	**3,739**	(5,310)
Auditors' remuneration		
– audit services	**2,481**	2,799
– non-audit services	**573**	693
Donations	**2,797**	1,092
Write-off of property, plant and equipment (Note 12)	**59**	1,196
Others	**59,317**	70,306
	4,112,322	3,567,112
Representing:		
Cost of sales	**2,584,141**	2,099,165
Selling and distribution costs	**1,300,359**	1,223,114
Administrative expenses	**227,822**	244,833
	4,112,322	3,567,112

Note:
During the year ended 31 March 2024, rent concession related to Covid-19 amounted to HK$917,000 (2023: HK$17,688,000) was included in selling and distribution costs.

6 Employee benefit expenses (including directors' emoluments)

Material Accounting Policies No. 9

	2024 HK$'000	2023 HK$'000
Salaries, bonuses, housing allowances, other allowances and benefits-in-kind	**658,119**	619,281
Retirement benefit costs (Note 23(b))	**30,059**	41,126
Directors' fees (Note 7(a))	**1,340**	1,255
Share-based payment (Note 24(c))	**115**	281
	689,633	661,943

7 Director and senior management emolument

(a) Directors' emoluments

Directors' emoluments comprise payments to the Company's directors (including three (2023: 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$257,400 (2023: 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 (2023: 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:

	2024 HK$'000	2023 HK$'000
Directors' fees	**1,340**	1,255
Salaries, housing allowances, other allowances and benefits-in-kind	**10,623**	9,259
Discretionary bonuses	**1,251**	547
Retirement benefit costs	**325**	188
Share-based payment	**54**	324
	13,593	11,573

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 (iv)	–	2,496	278	175	54	3,003
Ms KWOK Sze Wai Melody	–	1,207	133	75	–	1,415
Ms KWOK Sze Nga Kitty (v)	–	1,160	133	75	–	1,368
Non-executive Director						
Ms LEE Yun Chun Marie-Christine	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

7 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 2023						
Executive Directors						
Dr KWOK Siu Ming Simon (ii)	–	2,322	119	–	–	2,441
Dr KWOK LAW Kwai Chun Eleanor	–	2,107	108	–	–	2,215
Mr HO Danny Wing Fi (iv)	–	2,214	70	68	324	2,676
Dr LOOK Guy (iii)	–	910	–	–	–	910
Ms KWOK Sze Wai Melody	–	811	127	57	–	995
Ms KWOK Sze Nga Kitty (v)	–	895	123	63	–	1,081
Non-executive Director						
Ms LEE Yun Chun Marie-Christine	241	–	–	–	–	241
Independent Non-executive Directors						
Ms KI Man Fung Leonie	316	–	–	–	–	316
Mr TAN Wee Seng	382	–	–	–	–	382
Mr CHAN Hiu Fung Nicholas	316	–	–	–	–	316
	1,255	9,259	547	188	324	11,573

Note:

(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) Dr LOOK Guy retired from his positions as executive director of the Company with effect from the conclusion of the AGM held on 31 August 2022.

(iv) Mr HO Danny Wing Fi was appointed as executive director of the Company with effect from 30 June 2022.

(v) Ms KWOK Sea Nga Kitty was appointed as executive director of the Company with effect from the conclusion of the AGM held on 31 August 2022.

No compensation for loss of office has been paid to the directors for the years ended 31 March 2024 and 2023.

For the year ended 31 March 2023, one non-executive director who waived emoluments HK$16,000 and three independent non-executive directors who waived emoluments range of HK$21,000 to HK$25,000 respectively, no other directors waived any emoluments in the years ended 31 March 2023 (2024: Nil).

7 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 (2023: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2023: two) individuals during the year were as follows:

	2024 HK$'000	2023 HK$'000
Salaries, housing allowances, other allowances and benefits-in-kind	**3,498**	3,080
Discretionary bonuses	**434**	143
Retirement benefit costs	**132**	117
Share-based payment	**–**	14
	4,064	3,354

The emoluments of the individuals fell within the following bands:

	Number of individuals	
Emoluments bands	**2024**	2023
HK$1,000,001 – HK$1,500,000	**–**	1
HK$1,500,001 – HK$2,000,000	**1**	1
HK$2,000,001 – HK$2,500,000	**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:

	2024 HK$'000	2023 HK$'000
Salaries, housing allowances, other allowances and benefits-in-kind	**3,498**	3,080
Discretionary bonuses	**434**	143
Retirement benefit costs	**132**	117
Share-based payment	**–**	14
	4,064	3,354

7 Director and senior management emoluments (continued)

(c) Senior management emoluments (excluding directors' emoluments) (continued)

The emoluments of the individuals fell within the following bands:

Emoluments bands	Number of individuals 2024	2023
HK$1,000,001 – HK$1,500,000	**–**	1
HK$1,500,001 – HK$2,000,000	**1**	1
HK$2,000,001 – HK$2,500,000	**1**	–
	2	2

8 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 policies of interest expenses on lease liabilities and bank borrowings are disclosed in Note 13 and Note 22 respectively.

	2024 HK$'000	2023 HK$'000
Finance income from:		
Interest income on bank deposits	**7,244**	2,364
Others	**1,768**	889
	9,012	3,253
Finance costs from:		
Interest expenses on lease liabilities	**26,275**	16,739
Interest expenses on bank borrowings	**1,124**	2,361
	27,399	19,100

9 Income tax expense/(credit)

Material Accounting Policy

The tax expense/(credit) 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/(credit) 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.

Hong Kong profits tax has been provided for at the rate of 16.5% (2023: 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.

	2024 HK$'000	2023 HK$'000
Current tax:		
Hong Kong profits tax		
Current	**3,733**	2,313
Over-provision in previous years	**(66)**	(297)
Overseas taxation		
Current	**6,476**	505
Under/(Over) provision in previous years	**4**	(16)
Total current tax	**10,147**	2,505
Deferred tax (Note 15):		
Decrease/(increase) in net deferred tax assets	**37,717**	(75,113)
Income tax expense/(credit)	**47,864**	(72,608)

The income tax expense/(credit) on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the profits tax rate of Hong Kong as follows:

	2024 HK$'000	2023 HK$'000
Profit/(loss) before income tax	**266,747**	(14,361)
Tax calculated at a taxation rate of 16.5% (2023: 16.5%)	**44,013**	(2,370)
Effect of different taxation rates in other countries (Note)	**(3,893)**	829
Expenses not deductible for income tax purposes	**2,711**	5,158
Income not subject to income tax	**(4,142)**	(6,571)
Unrecognised tax losses	**9,237**	11,256
Recognition of tax losses previously not recognised	**–**	(80,597)
Over-provision in previous years	**(62)**	(313)
Income tax expense/(credit)	**47,864**	(72,608)

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% (2023: 12% to 25%).

10 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.

	2024	2023
Profit attributable to owners of the Company (HK$'000)	**218,883**	58,247
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	**3,102,076**	3,101,830

(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 and future service cost. For shares held under the Share Award Scheme, awarded shares granted to the employees but not yet vested as at 31 March 2024 and 2023 have been included in the number of shares.

	2024	2023
Profit attributable to owners of the Company (HK$'000)	**218,883**	58,247
Weighted average number of ordinary shares in issue less shares held under the Share Award Scheme during the year (thousands)	**3,102,076**	3,101,830
Adjustment for share options and awarded shares (thousands)	**53**	192
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**3,102,129**	3,102,022

11 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.

	2024 **HK$'000**	2023 HK$'000
Final, proposed – 5.0 HK cents (2023: Nil) per share	**155,159**	–
	155,159	–

At a meeting held on 20 June 2024, the directors proposed a final dividend of 5.0 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 2025 if approved by the shareholders.

12 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.

12 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 (**Material Accounting Policies No. 5**).

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 (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 2022					
Cost	190,790	533,499	255,016	20,868	1,000,173
Accumulated depreciation and impairment	(83,013)	(472,646)	(223,699)	(18,677)	(798,035)
Net book amount	107,777	60,853	31,317	2,191	202,138
Year ended 31 March 2023					
Opening net book amount	107,777	60,853	31,317	2,191	202,138
Additions	–	42,649	9,835	6,103	58,587
Write-off	–	(986)	(209)	(1)	(1,196)
Disposals	–	–	(1)	–	(1)
Depreciation	(5,629)	(40,011)	(16,013)	(1,899)	(63,552)
Exchange differences	–	(728)	(285)	(1)	(1,014)
Closing net book amount	102,148	61,777	24,644	6,393	194,962
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**

12 Property, plant and equipment (continued)

(a) Depreciation expense of HK$50,535,000 (2023: HK$47,637,000) was included in selling and distribution costs, HK$13,299,000 (2023: HK$15,915,000) was included in administrative expenses.

(b) Write-off of property, plant and equipment of HK$59,000 (2023: HK$1,196,000) was included in selling and distribution costs.

(c) As at 31 March 2024, land and buildings with carrying value amounted to HK$94,424,000 (2023: HK$100,567,000) were pledged for banking facilities made available to the Group.

As at 31 March 2024, net book amount of retail store assets represented property, plant and equipment and right-of-use assets amounting to HK$75,360,000 (2023: HK$48,901,000) and HK$537,022,000 (2023: HK$375,281,000) 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, no impairment loss of property, plant and equipment and right-of-use assets (Note 13(a)) was recognised during the year ended 31 March 2024 and 2023.

Key assumptions used in the value-in-use calculations for the recoverable amount of retail store assets in Hong Kong and Macau and Mainland China markets are as follows:

Revenue growth rate:	based on the estimated foot traffic of the Group's retail stores and the recovery of the economy of this market
Percentage change of running costs:	based on the estimated change related to the Group's cost saving plan and historical data
Gross profit margin:	based on the historical data and potential change in product mix

13 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.

13 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.

13 Leases (continued)

(a) Right-of-use assets

	Store properties HK$'000	Warehouses and offices properties HK$'000	Total HK$'000
At 1 April 2022	331,338	13,414	344,752
Inception of lease contracts	280,798	177,863	458,661
Reassessment of lease term	–	(16)	(16)
Adjustment for lease modification	(448)	(5,353)	(5,801)
Depreciation	(234,775)	(40,777)	(275,552)
Exchange difference	(1,632)	(733)	(2,365)
At 31 March and 1 April 2023	**375,281**	**144,398**	**519,679**
Inception of lease contracts	**444,191**	**1,229**	**445,420**
Adjustment for lease modification	**(4,405)**	**(1,206)**	**(5,611)**
Depreciation	**(274,019)**	**(38,796)**	**(312,815)**
Exchange difference	**(4,026)**	**(410)**	**(4,436)**
At 31 March 2024	**537,022**	**105,215**	**642,237**

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 10 years (2023: 1 to 10 years).

During the year ended 31 March 2024, depreciation of right-of-use assets of HK$308,727,000 (2023: HK$269,575,000) was included in selling and distribution costs, HK$4,088,000 (2023: HK$5,977,000) 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.

For details of impairment losses on right-of-use assets, refer to Note 12(c).

13 Leases (continued)

(b) Lease liabilities

	2024 HK$'000	2023 HK$'000
At 1 April	**565,603**	471,510
Inception of lease contracts	**439,109**	453,216
Reassessment of lease term	**–**	(16)
Adjustment for lease modification	**(1,407)**	(24,118)
Interest expenses on lease liabilities (Note)	**26,275**	16,739
Payment for lease liabilities (including interest)	**(331,590)**	(346,629)
Exchange difference	**(5,842)**	(5,099)
At 31 March	**692,148**	565,603

Note:
During the year ended 31 March 2024, interest expenses on lease liabilities of HK$26,275,000 (2023: HK$16,739,000) were included in finance costs.

Maturity analysis of lease liabilities is as follows:

	2024 HK$'000	2023 HK$'000
Lease liabilities payable:		
Not later than 1 year	**298,136**	231,928
Later than 1 year but not later than 5 years	**387,547**	329,434
Over 5 years	**6,465**	4,241
	692,148	565,603
Less: portion classified as current liabilities	**(298,136)**	(231,928)
Non-current liabilities	**394,012**	333,675

(c) Short-term leases and not yet commenced leases

As at 31 March 2024, the total future lease payments for short-term leases and not yet commenced leases amounted to HK$10,843,000 (2023: HK$17,609,000) and HK$58,651,000 (2023: HK$41,746,000) respectively.

14 Rental deposits and other assets

	Material Accounting Policies No. 6 2024 HK$'000	2023 HK$'000
Rental and other deposits	**87,032**	64,775
Others	**5,552**	5,552
	92,584	70,327

Rental deposits are carried at amortised cost using the effective interest rate of 0.44% to 3.20% per annum (2023: 0.44% to 1.79% per annum). The carrying amounts of rental deposits approximate their fair values.

15 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 (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:

	2024 **HK$'000**	2023 HK$'000
Deferred tax assets	**181,600**	219,692
Deferred tax liabilities	**(240)**	(279)
Deferred tax assets – net	**181,360**	219,413

The movement in net deferred tax assets is as follows:

	2024 **HK$'000**	2023 HK$'000
At 1 April	**219,413**	144,944
Deferred tax (charged)/credited to the consolidated income statement (Note 9)	**(37,717)**	75,113
Exchange differences	**(336)**	(644)
At 31 March	**181,360**	219,413

As at 31 March 2024 and 2023, except for the deferred tax assets on certain provisions were expected to be recovered within 12 months, substantially all remaining balances of other deferred tax assets and liabilities were expected to be recovered after 12 months. Tax losses included in deferred tax assets amounting to HK$39,627,000 (2023: HK$56,634,000) and HK$133,840,000 (2023: HK$151,866,000) which is expected to be recovered within 12 months and over 12 months respectively.

15 Deferred tax (continued)

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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At 1 April	**6,246**	11,773	**2,974**	11,998	**1,972**	1,999	**208,500**	119,375	**219,692**	145,145
(Charged)/credited to the consolidated income statement	**(1,521)**	(5,115)	**(946)**	(9,005)	**(403)**	66	**(34,886)**	89,245	**(37,756)**	75,191
Exchange differences	**(30)**	(412)	**(26)**	(19)	**(133)**	(93)	**(147)**	(120)	**(336)**	(644)
At 31 March	**4,695**	6,246	**2,002**	2,974	**1,436**	1,972	**173,467**	208,500	**181,600**	219,692

Deferred tax liabilities	Accelerated tax depreciation	
	2024	2023
	HK$'000	HK$'000
At 1 April	**279**	201
(Credited)/charged to the consolidated income statement	**(39)**	78
At 31 March	**240**	279

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$95,326,000 (2023: HK$90,737,000) in respect of tax losses amounting to HK$405,198,000 (2023: HK$376,916,000) and temporary differences amounting to HK$50,305,000 (2023: HK$53,550,000) that can be carried forward against future taxable income. Tax losses amounting to HK$227,748,000 (2023: HK$222,279,000) will expire within 1 to 5 years from 31 March 2024. The remaining tax losses and capital allowances have no expiry date.

16 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 (ii)** for estimates and judgements on provision for inventory.

16 Inventories (continued)

	2024 HK$'000	2023 HK$'000
Merchandise for resale	**705,303**	669,464

The cost of inventories recognised in cost of sales amounted to HK$2,580,402,000 (2023: HK$2,104,475,000).

During the year, the Group has made provision of HK$3,739,000 (2023: reversal provision of HK$5,310,000) for slow moving inventories and shrinkage.

17 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 **Material Accounting Policies No. 6 (iv)** for policies on impairment of financial assets.

	2024 HK$'000	2023 HK$'000
Trade receivables	**75,611**	68,813
Less: provision for expected credit losses	**(2,856)**	(3,106)
Trade receivables – net	**72,755**	65,707

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:

	2024 HK$'000	2023 HK$'000
Within 1 month	**62,097**	51,893
1 to 3 months	**4,171**	4,669
Over 3 months	**6,487**	9,145
	72,755	65,707

17 Trade receivables (continued)

Movement in the Group's provision for expected credit losses on trade receivables is as follows:

	2024 HK$'000	2023 HK$'000
At 1 April	**3,106**	2,766
(Reversal of)/provision for impairment	**(231)**	352
Exchange differences	**(19)**	(12)
At 31 March	**2,856**	3,106

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 1(ii) in "Financial Risk Management".

Trade receivables are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
Hong Kong dollar	**35,904**	19,757
Renminbi	**31,556**	37,892
Malaysian Ringgit	**2,260**	2,085
Singapore dollar	**1,907**	1,220
United States dollar	**388**	3,999
Others	**740**	754
	72,755	65,707

18 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 **Material Accounting Policies No. 6(iv)** for policies on impairment of financial assets.

	2024 HK$'000	2023 HK$'000
Rental and utilities deposits	**43,385**	75,728
Other receivables and payment in advance	**63,159**	45,583
Prepayments	**22,168**	21,040
Other deposits	**16,947**	18,339
	145,659	160,690

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.

19 Cash and bank balances

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.

	2024 HK$'000	2023 HK$'000
Short-term bank deposits	**330,860**	160,034
Cash at bank and on hand	**126,897**	143,222
Total cash and cash equivalents	**457,757**	303,256

Cash and bank balances are denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
Hong Kong dollar	**321,757**	140,198
United States dollar	**38,948**	27,885
Malaysian Ringgit	**34,070**	61,740
Renminbi	**25,615**	35,279
Macau Pataca	**11,875**	13,011
Euro	**10,165**	11,411
Singapore dollar	**9,604**	784
Swiss Franc	**4,766**	10,040
Japanese Yen	**940**	2,840
Others	**17**	68
	457,757	303,256

The year-end effective interest rate on short-term bank deposits was 4.42% per annum (2023: 3.18% per annum). These deposits have an average maturity of 1.5 months (2023: 1 month).

As at 31 March 2024, total cash and bank balances denominated in Renminbi and Malaysian Ringgit of approximately HK$57,382,000 (2023: HK$91,901,000) 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.

20 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:

	2024 **HK$'000**	2023 HK$'000
Within 1 month	**224,192**	240,554
1 to 3 months	**64,748**	67,144
Over 3 months	**17,708**	22,020
	306,648	329,718

The carrying amounts of trade payables approximate their fair values.

Trade payables are denominated in the following currencies:

	2024 **HK$'000**	2023 HK$'000
Hong Kong dollar	**200,188**	224,044
United States dollar	**41,951**	40,143
Renminbi	**28,170**	26,520
Malaysian Ringgit	**14,225**	12,396
Euro	**9,380**	12,650
Swiss Franc	**6,312**	2,452
South Korean Won	**4,802**	7,656
Japanese Yen	**1,115**	3,321
Macau Pataca	**166**	409
Others	**339**	127
	306,648	329,718

21 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.

	2024 **HK$'000**	2023 HK$'000
Accrued staff costs	**69,752**	75,732
Valued-added tax and other tax payables	**16,120**	15,686
Contract liabilities (Note 2(a))	**15,325**	14,426
Accrued capital expenditure	**14,981**	10,276
Accrued reinstatement costs	**13,894**	20,444
Accrued advertising and promotion expenses	**11,837**	10,241
Accrued rental related expenses	**5,720**	3,923
Accrued transportation expenses	**4,250**	6,306
Accrued utilities and telecommunication	**4,139**	4,071
Accrued repair & maintenance	**3,265**	4,655
Other payables and accruals	**34,503**	37,436
	193,786	203,196

22 Borrowings

Material Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

	2023 HK$'000
Secured:	
Bank borrowings	20,000
Total secured borrowings	20,000
Unsecured:	
Bank borrowings	10,000
Total unsecured borrowings	10,000
Total borrowings	30,000

As at 31 March 2023, the maturity of borrowings based on scheduled repayment dates is within one year and contain a repayment-on-demand clause, and it was classified as current liabilities.

As at 31 March 2023, the bank borrowings were at interest rate ranging from 4.04% to 4.65% per annum and were denominated in Hong Kong dollar.

The carrying amounts of borrowings approximated their fair values.

As at 31 March 2024, land and buildings with carrying value amounted to HK$94,424,000 (2023: HK$100,567,000) was pledged for banking facilities made available to the Group.

23 Retirement benefit obligations

(a) Retirement benefit obligations

	Material Accounting Policies No. 9	
	2024 **HK$'000**	2023 HK$'000
Retirement benefit obligations liability on:		
– long service payments (Note (b)(ii))	**12,561**	12,660

(b) Retirement benefit costs

	2024 **HK$'000**	2023 HK$'000
Retirement benefit costs charged to consolidated income statement:		
Retirement benefit costs (Note 6)		
– defined contribution plans (Note (i))	**29,099**	27,961
– long service payments (Note (ii))	**960**	13,165
	30,059	41,126
Retirement benefit costs credited to other comprehensive income:		
– long service payments (Note (ii))	**(709)**	(8,490)

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.

A subsidiary of the Group in Malaysia contributes 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.

23 Retirement benefit obligations (continued)

(b) Retirement benefit costs (continued)

Notes: (continued)

(ii) The Group's provision for long service payments are determined based on the actuarial valuation as at 31 March 2024 prepared by 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	
	2024	2023
	HK$'000	HK$'000
At 1 April	**12,660**	9,532
Current service cost	**424**	415
Interest cost	**536**	182
Past service cost (Note)	**–**	12,568
Retirement benefit costs charged to consolidated income statement	**960**	13,165
Remeasurements:		
Actuarial gain – experience	**(703)**	(8,480)
Actuarial gain – financial assumptions	**(6)**	(10)
Retirement benefit costs credited to other comprehensive income	**(709)**	(8,490)
Benefits paid directly by the employer	**(350)**	(1,547)
At 31 March	**12,561**	12,660

Note:

In June 2022, the Hong Kong SAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022. The amendment will come into effect prospectively from a date in 2025 to be appointed by the Hong Kong SAR Government ("Transition Date"), under which the accrued benefits attributable to the employers' mandatory contributions under the Mandatory Provident Fund would no longer be eligible to offset against the severance payment and long service payment accrued from the Transition Date. As at 31 March 2023, the retirement benefit obligation arising from long service payments has been remeasured accordingly and the impact is reflected as past service cost for the year ended 31 March 2023.

24 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 **Material Accounting Policies No. 10** for details on Share Options and Share Award Scheme.

	No. of shares	**HK$'000**
Authorised shares of HK$0.1 each		
At 1 April 2022, 31 March 2023 and 2024	8,000,000,000	800,000
Issued and fully paid shares of HK$0.1 each		
At 1 April 2022, 31 March 2023 and 2024	3,103,189,458	310,319

24 Share capital (continued)

(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:

(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).

24 Share capital (continued)

(a) Share options (continued)

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 2024, no share option was granted under the 2012 Share Option Scheme and 2022 Share Option Scheme (2023: Nil).

Movements in the number of share options outstanding are as follows:

	No. of share options year ended 31 March	
	2024	2023
At 1 April	**3,209,000**	6,027,000
Lapsed	**(2,909,000)**	(2,818,000)
At 31 March	**300,000**	3,209,000

The expiry dates and subscription prices of the share options outstanding as at 31 March 2024 and 2023 are set out as follows:

Expiry dates	**Subscription price per Share (HK$)**	**No. of share options outstanding as at 31 March**	
		2024	2023
2012 Share Option Scheme			
20 June 2023	8.07	**–**	2,909,000
12 April 2028	4.65	**300,000**	300,000
		300,000	3,209,000
Weighted average remaining contractual life of options outstanding at end of the year		**4.03 years**	0.67 year

(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 2024 and 31 March 2023, no share was acquired by the Company.

24 Share capital (continued)

(b) Share award (continued)

Movements in the number of awarded shares:

	Number of awarded shares year ended 31 March	
	2024	2023
At 1 April	**200,000**	345,000
Awarded (Note)	**310,000**	200,000
Vested	**(215,000)**	(180,000)
Lapsed	**–**	(165,000)
At 31 March	**295,000**	200,000

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$0.82 (2023: HK$1.89).

Details of the awarded shares outstanding as at 31 March 2024 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 2023**	**Awarded during the year**	**Vested during the year**	**Lapsed during the year**	**Outstanding as at 31 March 2024**
20 Dec 2022	1.89	20 Dec 2022 to 18 Apr 2023	200,000	–	(200,000)	–	–
8 Feb 2024	0.82	8 Feb 2024 to 6 Aug 2024	–	100,000	–	–	100,000
		8 Feb 2024 to 19 Aug 2025	–	50,000	–	–	50,000
		8 Feb 2024 to 19 Sept 2025	–	50,000	–	–	50,000
		8 Feb 2024 to 14 Dec 2025	–	50,000	–	–	50,000
		8 Feb 2024 to 21 Feb 2025	–	30,000	(15,000)	–	15,000
		8 Feb 2024 to 20 Nov 2025	–	30,000	–	–	30,000
			200,000	**310,000**	**(215,000)**	**–**	**295,000**

* 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:

	2024 HK$'000	2023 HK$'000
Expenses recognised by share award scheme	**115**	281

25 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$'000	Accumulated losses HK$'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**

	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 2022	1,412,707	(4,516)	11,783	15,587	(44,738)	(718,234)	672,589
Profit for the year	–	–	–	–	–	58,247	58,247
Other comprehensive income/(loss):							
Actuarial gains on retirement benefit obligations	–	–	–	–	–	8,490	8,490
Currency translation differences of foreign subsidiaries recorded in translation reserve	–	–	–	–	(9,063)	–	(9,063)
Total comprehensive income for the year	–	–	–	–	(9,063)	66,737	57,674
Share award scheme:							
Value of employee services	–	–	–	281	–	–	281
Vesting of shares under share award scheme	–	760	–	(362)	–	(398)	–
Employee share option scheme:							
Lapse of share options	–	–	–	(4,453)	–	4,453	–
Unclaimed dividends forfeited	–	–	–	–	–	318	318
Total transactions with owners, recognised directly in equity	–	760	–	(4,534)	–	4,373	599
At 31 March 2023	1,412,707	(3,756)	11,783	11,053	(53,801)	(647,124)	730,862

26 Cash flow information

(a) Cash generated from operations

	2024 HK$'000	2023 HK$'000
Profit for the year	**218,883**	58,247
Adjustments for:		
– Income tax expense/(credit)	**47,864**	(72,608)
– Depreciation of property, plant and equipment	**63,834**	63,552
– Depreciation of right-of-use assets	**312,815**	275,552
– Write-off of property, plant and equipment	**59**	1,196
– Gains on disposal of property, plant and equipment (Note 26(b))	**(187)**	–
– Provision/(reversal of provision) for slow moving inventories and shrinkage	**3,739**	(5,310)
– Share-based payment	**115**	281
– Gain on derecognition of lease liabilities and right-of-use assets	**–**	(18,317)
– Finance costs	**27,399**	19,100
– Finance income	**(9,012)**	(3,253)
	665,509	318,440
Changes in working capital:		
– Inventories	**(41,047)**	88,862
– Trade receivables	**(7,048)**	7,507
– Other receivables, deposits and prepayments	**(4,729)**	36,482
– Trade payables	**(23,070)**	50,539
– Other payables, accruals and retirement benefit obligations	**(8,132)**	(8,511)
Cash generated from operations	**581,483**	493,319

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	2024 HK$'000	2023 HK$'000
Net book amount (Note 12)	**33**	1
Gains on disposal of property, plant and equipment	**187**	–
Proceeds from disposal of property, plant and equipment	**220**	1

(c) The liabilities arising from financing activities represented borrowings and lease liabilities. For details of movement in lease liabilities, see Note 13(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.

27 Commitments

Capital commitments in respect of acquisition of property, plant and equipment

	2024 HK$'000	2023 HK$'000
Contracted but not provided for	**11,862**	4,207

28 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

	2024 HK$'000	2023 HK$'000
Sale of goods to entities owned by the immediate family member of an executive director	**1,572**	1,871
Purchase of goods from entities owned by the immediate family member of an executive director	**2,065**	2,960
Rental paid to an entity wholly owned by executive directors	**900**	719

The related party transactions were conducted in accordance with terms mutually agreed with related parties and in the ordinary course of business.

A revolving loan facility of up to HK$200,000,000 was also made available to the Group on 31 March 2023 by Dr KWOK Siu Ming Simon and Dr KWOK LAW Kwai Chun Eleanor, the executive directors and controlling shareholders of the Company. The facility expired on 30 March 2024 and was not renewed.

(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:

	2024 HK$'000	2023 HK$'000
Salaries, bonuses, housing allowances, other allowances and benefits-in-kind	**36,267**	32,452
Retirement benefit costs	**1,125**	927
Share-based payment	**115**	281
	37,507	33,660

28 Significant related party transactions (continued)

(c) Interest of directors

None of the directors received any termination benefits during the year ended 31 March 2024 (2023: Nil). During the year ended 31 March 2024, the Group did not pay consideration to any third parties for making available directors' services (2023: Nil). As at 31 March 2024, there were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2023: 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 (2023: Nil).

29 Principal subsidiaries

Particulars of the principal subsidiaries at 31 March 2024 and 2023:

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%
Hong Kong Sa Sa (M) Sdn. Bhd.	Malaysia, limited liability company	Trading and retailing of cosmetic products	Ordinary RM20,000,000	100%

29 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
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 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%
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%

29 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 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%

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.

30 Statement of financial position and reserve movement of the Company

Statement of financial position of the Company

	2024 HK$'000	2023 HK$'000
ASSETS		
Non-current assets		
Investments in and amounts due from subsidiaries	**2,171,808**	2,154,216
Other assets	**750**	750
	2,172,558	2,154,966
Current assets		
Other receivables, deposits and prepayments	**676**	692
Cash and cash equivalents	**441**	20,628
	1,117	21,320
LIABILITIES		
Current liabilities		
Other payables and accruals	**408**	633
Net current assets	**709**	20,687
Total assets less current liabilities	**2,173,267**	2,175,653
EQUITY		
Capital and reserves		
Share capital	**310,319**	310,319
Reserves	**1,862,948**	1,865,334
Total equity	**2,173,267**	2,175,653

The statement of financial position of the Company was approved by the Board on 20 June 2024 and was signed on its behalf.

KWOK Siu Ming Simon
Chairman and CEO

KWOK LAW Kwai Chun Eleanor
Vice-chairman

30 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 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**

	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 2022	1,412,707	(4,516)	11,783	15,587	432,444	1,868,005
Loss and total comprehensive loss for the year	–	–	–	–	(3,270)	(3,270)
Share award scheme:						
Value of employee services	–	–	–	281	–	281
Vesting of shares under share award scheme	–	760	–	(362)	(398)	–
Employee share option scheme:						
Lapse of share options	–	–	–	(4,453)	4,453	–
Unclaimed dividends forfeited	–	–	–	–	318	318
Total transactions with owners, recognised directly in equity	–	760	–	(4,534)	4,373	599
At 31 March 2023	1,412,707	(3,756)	11,783	11,053	433,547	1,865,334

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*◊
Mr HO Danny Wing Fi (CFO)
Ms KWOK Sea Nga Kitty

Non-executive Director
Ms LEE Yun Chun Marie-Christine

Independent Non-executive Directors
Ms KI Man Fung Leonie, *GBS, SBS, JP*
Mr TAN Wee Seng
Mr CHAN Hiu Fung Nicholas, *BBS*◊*, MH, JP*

Company Secretary
Ms MAK Sum Wun Simmy

Head Office
8th Floor, Block B, MP Industrial Centre
18 Ka Yip Street
Chai Wan, Hong Kong SAR

Registered Office
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Auditor
PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor

Principal Share Registrar and Transfer Office
Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

◊ Since 1 July 2024

Hong Kong Branch Share Registrar and Transfer Office
Tricor Abacus Limited
17/F, Far East Finance Centre,
16 Harcourt Road
Hong Kong SAR
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
(The Stock Exchange of Hong Kong Limited)

Investor Relations
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 SAR
Investor Relations Hotline: (852) 2975 3638
Fax: (852) 2595 0797
E-mail: ir@sasa.com

Corporate & Shopping Website
corp.sasa.com www.sasa.com

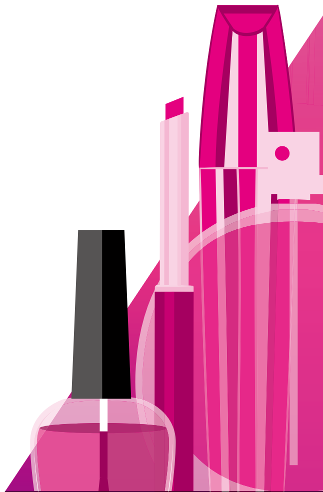
This 2023/2024 Annual Report is available in both English and Chinese, and in printed and electronic forms. All corporate communications are now available on the Company's website at http://corp.sasa.com and the HKEXnews website of the Stock Exchange at http://www.hkexnews.hk.

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.

Design and Production by: iONE Financial Press Limited
Website: www.ione.com.hk

sasa

making life beautiful



SA SA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Cayman Islands with limited liability)

8th Floor, Block B, MP Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong

Tel: (852) 2889 2331 Fax: (852) 2898 9717 Website: corp.sasa.com www.sasa.com

Shares of Sa Sa International Holdings Limited are traded on

The Stock Exchange of Hong Kong Limited (Stock Code: 178)