

CHAIRMAN'S STATEMENT



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

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



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

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

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

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

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

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

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

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

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