



# 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 150 to 206, comprise:

- the consolidated statement of financial position as at 31 March 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

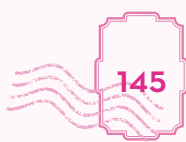
### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment of retail store assets
- Provision for inventory

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Impairment of retail store assets</b></p> <p>Refer to Notes 15 and 16 to the consolidated financial statements.</p> <p>The Group had approximately HK\$200.6 million and HK\$623.4 million of property, plant and equipment and right-of-use assets as at 31 March 2025 respectively, of which approximately HK\$82.9 million and HK\$549.7 million were attributable to its retail stores respectively.</p> <p>Management considers each retail store as a separate cash-generating unit ("CGU") and has carried out assessments of the macroeconomic environment, each retail store's financial performances, the Group's plan to use the retail store assets and the stage of operation of the retail store as of the reporting date to identify whether there are indicators for impairment. If impairment indicators exist, management conducted an impairment assessment by estimating the recoverable amounts of the relevant CGU using value-in-use ("VIU") calculation.</p> <p>We focused on this area because the identification of impairment indicators and estimation of recoverable amounts of the relevant retail stores are subject to significant management's judgements and estimations.</p>	<p>We evaluated and tested the impairment assessment of the property, plant and equipment and right-of-use assets of the retail stores by performing the following procedures:</p> <ul style="list-style-type: none"> <li>– understood management's controls and processes for assessment on impairment indicators of retail stores and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and other inherent risk factors;</li> <li>– tested management's assessment as to which relevant CGU has indicators of impairment by: <ul style="list-style-type: none"> <li>• engaging in discussions with management regarding the methods used in the assessment of impairment indicators, including consideration of both external and internal sources of information;</li> <li>• testing the input data used by management, on a sample basis, in the assessment of impairment indicators; and</li> <li>• comparing historical budgets to actual results.</li> </ul> </li> <li>– for those CGUs with impairment indicators, reviewed management's VIU analyses by: <ul style="list-style-type: none"> <li>• enquired of management in relation to key assumptions in their business plan and evaluated the key assumptions applied, such as revenue growth rate, percentage change of running costs and gross profit margin, etc. by comparing them to historical information and our understanding of latest market information and conditions;</li> <li>• recomputed the recoverable amounts of CGUs and compared with their respective carrying amounts; and</li> <li>• evaluated the sensitivity analysis to ascertain the extent of change in the key assumptions either individually or collectively that would result in the retail store assets being impaired and also considered the likelihood of such a change in the key assumptions.</li> </ul> </li> </ul> <p>Based on our work performed, we found the result of the impairment assessment of retail store assets made by management to be supported by available evidence.</p>



Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Provision for inventory</b></p> <p>Refer to Note 19 to the consolidated financial statements.</p> <p>The Group had net inventories of approximately HK\$670.0 million as at 31 March 2025, which represented approximately 28.8% of the Group's total assets.</p> <p>The Group is engaged in the retailing and wholesaling of cosmetic products and is subject to changing market trends and competitors' actions.</p> <p>The Group estimates the provision for inventory based on the inventory turnover days and sales performance of individual stock-keeping units ("SKUs"). It makes specific provisions for near-expiry and slow-moving inventory by SKU, taking into consideration the economic outlook, the Group's business strategy, confirmed orders from wholesalers, and the marketability of inventories.</p> <p>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.</p>	<p>We evaluated and tested the provision for inventory by performing the following procedures:</p> <ul style="list-style-type: none"> <li>– 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;</li> <li>– 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;</li> <li>– compared the level of inventories written-off during the year with the provision made in prior years;</li> <li>– tested report of inventory provision and performed a recalculation, on a sample basis, of the inventory provision made on individual SKU; and</li> <li>– 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.</li> </ul> <p>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.</p>

## Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is So Sing Wai, Donald (practising certificate number: P07311).

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 19 June 2025