CHAIRMAN'S STATEMENT

We maintain a keen market awareness to deliver quality trendy products to our customers, while accelerating our digital transformation to effectively respond to macroeconomic challenges.

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

The 2025/26 financial year (the "**Financial Year"** or the **"Year**") marked a period in which Sa Sa capitalised on opportunities and delivered growth.

The Group recorded solid overall performance with healthy growth. The Group recorded turnover of approximately HK$4,383 million during the Year, representing a year-on-year increase of 14.2%. Profit for the Year (include the discontinued offline business in Chinese Mainland) was approximately HK$200 million with a significant year-on-year growth of 160.5%. Both of our offline and online businesses progressed steadily, and overall results were in line with the Group's expectations.

As a homegrown Hong Kong brand deeply rooted in the Asian beauty market for nearly half a century, Sa Sa remains committed to its founding purpose of "Making Life Beautiful". We continue to leverage our advantage as a "first-hand beauty information platform", curating a diverse portfolio of bestselling cosmetics and distinctive trending products with unique styling. By tailoring our operational strategies to suit the consumption characteristics of each regional market, we continue to drive the Group's sustained progress and development.

The Group's offline operations span the Hong Kong and Macao SARs, as well as Southeast Asia. During the Year, offline sales amounted to approximately HK$3,600 million with an increase of 15.7% year-on-year.

In the **Hong Kong and Macao SARs**, the Governments' measures stimulating the retail and tourism gradually took effect, therefore, consumer sentiment continued to improve. The Group recorded significant year-on-year growth in online and offline sales, number of transactions, average sales per transaction and number of items per transaction. Stores located in tourist districts performed particularly well. The Group will further continue the expansion of its store network in Hong Kong and Macao, thereby solidifying Sa Sa's market leadership.

In **Southeast Asia**, offline operations faced a relatively weaker performance due to external headwinds. Nevertheless, during the second half of the Financial Year, the Group intensified its resource allocations and focus to optimise operational efficiency in the region. The Group successfully achieved remarkable year-on-year growth in both same-store sales and offline sales across Southeast Asian region compared with the first half of the Financial Year.

During the Year, online sales reached HK$770 million, representing year-on-year growth of approximately 8%. While B2B wholesale orders declined year-on-year, B2C online sales recorded approximately 22% growth as compared to that of last year, continuing to contribute to profitability.

Chinese Mainland remains the Group's largest online market. The Group closed all its physical stores in Chinese Mainland at the end of June 2025, thereby concentrating resources on expanding its online channels. This strategic shift enabled the Group to turn around the losses previously incurred in the Chinese Mainland business. Meanwhile, operations in Hong Kong and Macao, Southeast Asia and other markets continued to develop steadily with overall profitability on an upward trajectory.

The Board proposed paying a final dividend of 3.4 HK cents per share for the Financial Year, and a final special dividend of 1.9 HK cents per share. Including the paid interim dividend of 1.15 HK cents, the total dividend for the Year amounts to 6.45 HK cents per share, representing approximately 100% of the Group's profit for the Year. This serves as a tangible return to all shareholders for their support of Sa Sa.

Looking ahead, Sa Sa will continue to proactively embrace change, implement stringent cost control and maintain a sound financial position. We will leverage Sa Sa's influence to uphold high standards within the industry and endeavour to reward shareholders for their trust and support through sustained performance.