Continuing Operations

Turnover

HK$4,382.6 million

14.2%

Gross profit

HK$1,674.6 million

10.5%

Profit for the Year*

HK$200.5 million

160.5%

* Include discontinued offline business in Chinese Mainland

Consolidated Income Statement for the Year Ended 31 March 2026

	Full year		First half		Second half	
	2026	2025	**2026**	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Continuing Operations						
Turnover	**4,382,600**	3,839,055	**1,990,560**	1,866,888	**2,392,040**	1,972,167
Cost of sales	**(2,707,983)**	(2,323,055)	**(1,235,567)**	(1,142,118)	**(1,472,416)**	(1,180,937)
Gross profit	**1,674,617**	1,516,000	**754,993**	724,770	**919,624**	791,230
Other income	**24,511**	24,259	**12,749**	13,345	**11,762**	10,914
Selling and distribution costs	**(1,256,854)**	(1,183,011)	**(600,789)**	(579,996)	**(656,065)**	(603,015)
Administrative expenses	**(198,608)**	(202,646)	**(99,360)**	(99,035)	**(99,248)**	(103,611)
Other gains/(losses) – net	**8,197**	4,573	**1,930**	6,273	**6,267**	(1,700)
Operating profit	**251,863**	159,175	**69,523**	65,357	**182,340**	93,818
Finance income	**10,505**	15,142	**5,969**	7,909	**4,536**	7,233
Finance costs	**(25,464)**	(28,440)	**(13,880)**	(14,299)	**(11,584)**	(14,141)
Profit before income tax	**236,904**	145,877	**61,612**	58,967	**175,292**	86,910
Income tax expenses	**(34,235)**	(14,941)	**(8,721)**	(11,469)	**(25,514)**	(3,472)
Profit for the year from continuing operations	**202,669**	130,936	**52,891**	47,498	**149,778**	83,438
(Loss)/profit for the year from discontinued operation	**(2,179)**	(53,963)	**(2,734)**	(15,090)	**555**	(38,873)
Profit for the year attributable to owners of the Company	**200,490**	76,973	**50,157**	32,408	**150,333**	44,565

Our Business

Established in the Hong Kong Special Administrative Region in 1978, Sa Sa International Holdings Limited ("**Sa Sa**" or the "**Company**") and its subsidiaries (the "**Group**") is a leading beauty product retailing group in Asia. Headquartered in Hong Kong, the operations of Sa Sa cover Hong Kong and Macao and Southeast Asia, including Malaysia and Singapore, while reaching out customers worldwide through diversified e-commerce platforms. The Group operates online sales networks in Chinese Mainland and across global markets, supported by its regional office in Kuala Lumpur, Malaysia to provide strategic backing for its expansion in Southeast Asia.

Adhering to our mission of "***Making Life Beautiful***", the Group integrates this principle into all aspects of its business decisions. Sa Sa stays attuned to the evolving market trends, strategically expanding beyond its three traditional core categories (skincare, fragrance and make-up) into high-growth segments, including inner beauty and health products, personal care (hair & body) as well as beauty equipment to align with the global trend toward holistic "inside-out" beauty.

The Group's warehouses in Hong Kong and Malaysia, together with third-party warehouses in Chinese Mainland and Singapore, are managed through digital systems to deliver efficient logistics and distribution services. Ongoing investments in supply chain innovation, digitalisation and sustainability aim to enhance operational efficiency and maintain product quality, including the provision of a 30-day return policy to the Group's customers.

The Group adopts an "exclusive brands" strategy to create differentiated margin advantages. Coupled with a diversified and trend-responsive product portfolio, seamless Offline-Merge-Online (OMO) integration and the expertise of Sa Sa's professional beauty consultant team, the Group delivers an immersive shopping experience for customers, and positions Sa Sa as an ideal partner for brands seeking to establish and expand their presence in Asia and beyond, tapping into regional and global beauty markets.

MARKET OVERVIEW

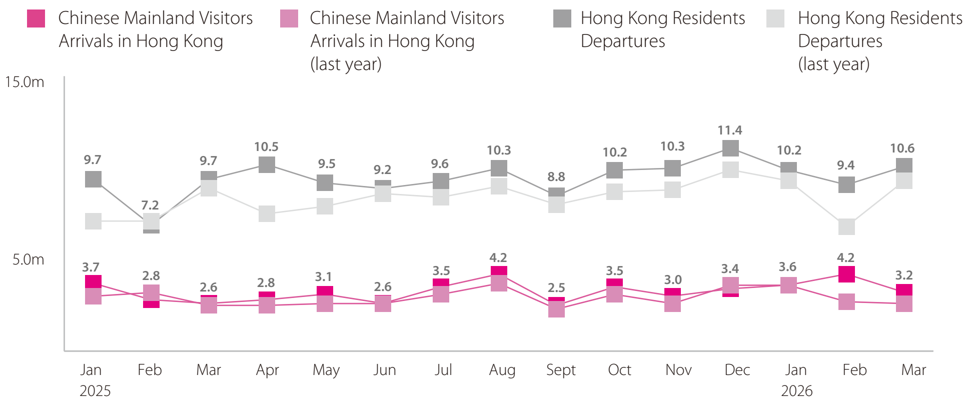
Chart 1: GDP/Retail Sales/Medicines and Cosmetics Sales in Financial Year 2025/26* (year-on-year change)

Market **(Apr 2025 – Mar 2026)**	**GDP Change Rate**	**Retail Sales Change**	**Medicines and Cosmetics Sales Change**
China:			
Hong Kong	+4.7%	+5.8%	+5.9%
Macao	+7.8%	+7.2%	+13.2%
Chinese Mainland	+5.4%	+2.4%	+7.8%
Southeast Asia:			
Malaysia	+5.4%	+6.2%	*Note 1*
Singapore	+3.5%	+3.1%	*Note 3* +4.9%
The Philippines	+5.4%	*Note 2* +6.5%	*Notes 1 & 2*

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

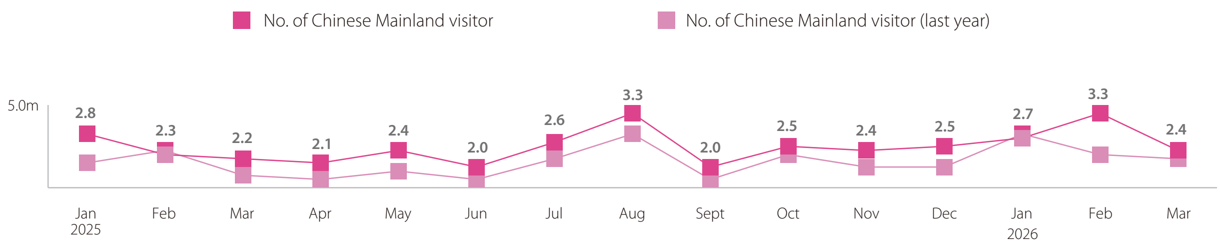
* All the above data were sourced and extrapolated from statistics published by the corresponding governments' statistics bureaus. Definitions and statistical methodologies for cosmetics retail sales vary across different government statistics bureaus.

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



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

Chart 3: Chinese Mainland Visitor Arrivals in Macao (in million)



Source: Government of Macao SAR Statistics and Census Service

Industry Review

Hong Kong and Macao

World-Class Mega Events Boost Tourism and Retail

The Hong Kong SAR Government is actively promoting mega events economy. More than 300 international and local events have been held throughout 2025, including world-class sports events and concerts. The industries have leveraged an "Mega Events + Tourism" model by offering themed packages and shopping promotions to stimulate tourism and retail sectors. The Central Government relaxed earlier the Chinese Mainland visa measures – such as "Multiple-entry Individual Visit Scheme (IVS)" and "One Trip per Week" – have also injected growth momentum into the tourism and retail sectors in Hong Kong and Macao.

Sustained Growth in Visitor Arrivals to Hong Kong and Macao with Non-Chinese Mainland Visitors Up over 25% YoY

According to data from the Hong Kong Tourism Board, inbound visitors to Hong Kong in 2025 approached 50 million, up 12% year-on-year; visitor arrivals in the first 11 months already exceeded the total for the whole year of 2024. Non-Chinese Mainland visitors reached approximately 10 million, a 16% increase year-on-year. Among these, growth was particularly strong in markets such as Taiwan, Japan, Vietnam, Australia, and the Middle East, all of which saw year-on-year increases of 25% or more. Meanwhile, short-haul markets including the Philippines, Thailand, Vietnam, and India have recovered to, or even surpassed pre-pandemic levels. During the Financial Year, Hong Kong and Macao recorded approximately 52 million and 41 million visitors respectively, of which Chinese Mainland visitors accounted for approximately 40 million and 30 million (see Charts 2 and 3).

Reputation for Authenticity Bolsters Hong Kong as Top Beauty Shopping Destination for Tourists

A study released by the School of Hotel and Tourism Management at The Hong Kong Polytechnic University in April 2026 highlighted that beauty-focused tourists are one of the high-potential and value-driven customer segments. Typically characterised as "accessible luxury" consumers, these tourists tend to prioritise trusted brands and actively leverage digital tools to curate relevant information. For this segment, even when products are available at lower prices elsewhere, Hong Kong's long-standing reputation as a "shopping paradise" and its assurance of "genuine and authentic product" remain compelling factors that prompt them to make purchases in Hong Kong with peace of mind.

Strong Renminbi Boosts Outbound Travel Spending

Amid gradually stabilising economic fundamentals in Chinese Mainland, alongside a shift towards more accommodative monetary policy by the United States (U.S.) Federal Reserve, the weakening of the U.S. dollar has created favourable conditions for Renminbi appreciation. Driven by efficient and cost-competitive industrial supply chains in Chinese Mainland and a relative lack of overseas alternatives, Chinese technology enterprises – particularly in sectors such as energy storage – have engaged in large-scale foreign exchange settlements to replenish domestic capital. This trend, coupled with a buoyant domestic investment environment for emerging technologies, has further bolstered the Renminbi. The resulting increase in purchasing power has stimulated outbound travel and consumption among Chinese Mainland consumers, benefiting popular destinations such as Hong Kong and Macao.

Chinese Mainland

Consumption Emerges as Key Driver of China's Economic Growth with Robust Performance in Cosmetics Sector

According to the Ministry of Commerce of the People's Republic of China, total retail sales of consumer goods reached approximately RMB50.1 trillion in 2025, up 3.7% year-on-year, solidifying consumption as a primary growth engine. Of which, cosmetics retail sales grew by approximately 5.1% year-on-year.

At the "2025 China Cosmetics Industry Data Release Conference," China Association of Fragrance Flavour and Cosmetic Industries reported that omni-channel cosmetics transaction value exceeded RMB1.1 trillion in 2025, up approximately 2.8% year-on-year. China's per-capita cosmetics expenditure rose from approximately RMB742 in 2023 to approximately RMB785 in 2025, with expectations to surpass RMB1,000 by 2030. The report also noted a consumer shift from traditional brand prestige toward rational purchases, with "ingredients, efficacy, and personal values" now serving as the primary drivers of consumption.

China's E-commerce Market Remains the World's Largest for the 13th Consecutive Year; Live-stream Commerce Thrives

China's online consumption market remains highly active, with total e-commerce transaction volume exceeding RMB23.8 trillion, securing as the world's largest online retail market for 13 consecutive years. In 2025, online retail sales reached approximately RMB16.0 trillion, with nascent retail formats such as live streaming and instant retail experiencing strong growth. Notably, live commerce transaction value increased by 11.3% year-on-year, indicating a sustained robust demand.

Functional and Niche Beauty Products Gaining Traction

Amid the fiercely competitive business environment, beauty retailers are adjusting their operating models by optimising the balance between online and offline stores to enhance economic efficiency. The market increasingly favours value-for-money products, particularly those with functionality (including synthetic biology, recombinant collagen, and medical aesthetics), rather than established famous brands. This trend is creating opportunities for domestic and niche brands.

Southeast Asia

E-commerce GMV in Southeast Asia Surpasses US$100 Billion in 2025

According to the "Southeast Asia E-commerce Report 2026" released in early 2026 by Singapore-based consultancy Momentum Works, the total gross merchandise value (GMV) across e-commerce platforms in Southeast Asia exceeded US$157.6 billion in 2025, representing a year-on-year increase of 22.8%. Shopee, Lazada, and TikTok Shop collectively accounted for 98.8% of the market share, further consolidating a "tripartite dominance" structure and reinforcing their positions as the region's primary e-commerce sales channels.

Robust ASEAN Demand for Beauty Products Accelerates Growth of the Southeast Asian Beauty Market

Southeast Asia is among the fastest-growing regions globally for beauty consumption. Around 60% of the ASEAN population is under 35 – a demographic with strong beauty product demand – and internet penetration exceeds 50%, supporting continued growth in online beauty purchases.

FINANCIAL PERFORMANCE SUMMARY

Chart 4: Continuing Operations during the Financial Year (by Market)

HK$ Million	Turnover	Year-on-year Change (%)
Offline Sales		
Hong Kong and Macao	3,250.9	▲ 16.4%
Southeast Asia	362.3	▲ 9.3%
Total Offline Sales	**3,613.2**	**▲ 15.7%**
Online Sales		
Hong Kong and Macao	239.5	▲ 20.0%
Chinese Mainland	395.3	▼ 5.4%
Southeast Asia	124.4	▲ 41.3%
Others	10.2	▲ 3.4%
Total Online Sales	**769.4**	**▲ 7.6%**
Total Turnover	**4,382.6**	**▲ 14.2%**

Chart 5: Sales Mix (by Region/by Segment)

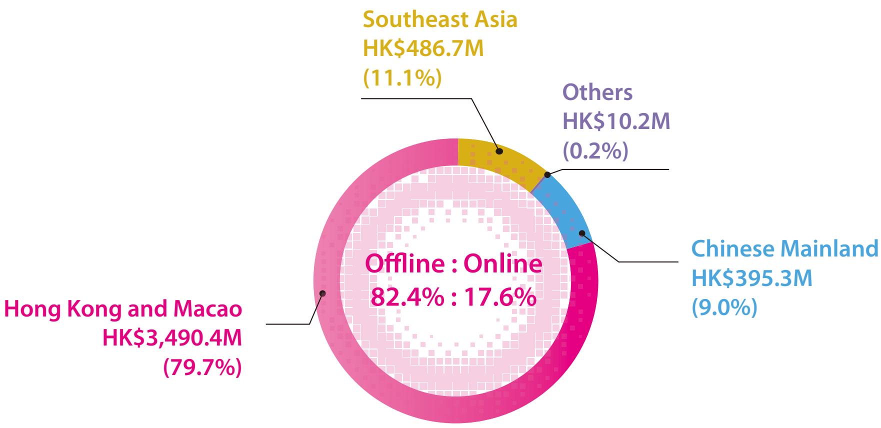


Chart 6: Breakdown of Offline Turnover (by Market)

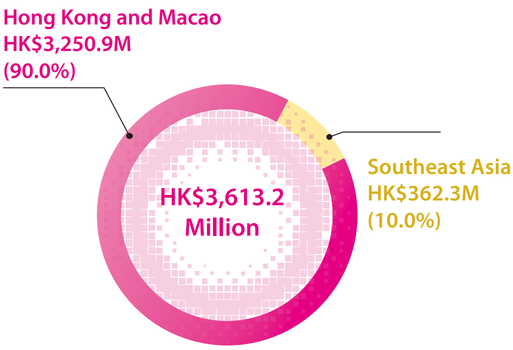
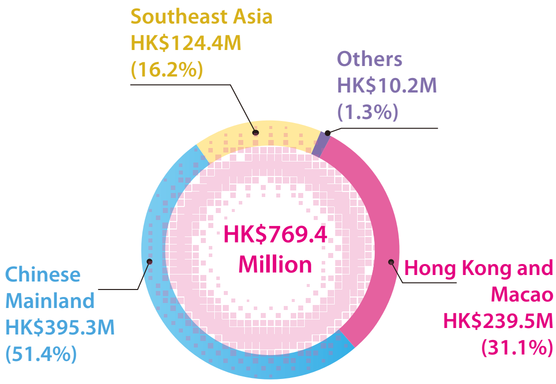


Chart 7: Breakdown of Online Turnover (by Market)



Continuing Operations

Number of Stores

Market	As at 31 March 2025	Opened	Closed	**As at 31 March 2026**
China				
– Hong Kong and Macao	84	2	1	**85**
Southeast Asia				
– Malaysia and Singapore	72	4	1	**75**
Total	156	6	2	**160**

During the Financial Year, the Group successfully transformed market opportunities into tangible growth, underpinned by a clear strategic direction and strong execution capabilities. The Group laser-focused on the management of product portfolio and the enhancement of regional operating performance, resulting in growth of both turnover and profit.

Steady Growth in Group Performance Led by Hong Kong and Macao

During the Year, **the Group's total turnover** was HK$4,382.6 million, representing a year-on-year increase of 14.2%. By geography, Hong Kong and Macao constituted the largest market of the Group, contributing 79.7% of total turnover; Chinese Mainland and Southeast Asia accounted for 9.0% and 11.1% respectively, while other regions contributing 0.2% (See Chart 5).

Offline Sales Increased by 15.7% Year-on-year with Corresponding Improvement of Store Efficiency

The Group's **offline sales** predominantly originate from Hong Kong and Macao as well as Southeast Asia, complementing the online operations. As at 31 March 2026, the Group operated 160 physical stores, with a net increase of four stores compared with same period last year, comprising 85 in Hong Kong and Macao and 75 in Southeast Asia (Malaysia and Singapore). During the Year, the Group continued to improve sales productivity per square foot and optimised in-store product assortments and merchandising in response to differing local consumer behaviours, catering to diverse customer needs precisely. During the Year, the Group's offline turnover amounted to HK$3,613.2 million with a year-on-year increase of 15.7%, representing 82.4% of the Group's total turnover.

Improved Supply Chain of Online Platforms Drives Steady Business Growth

Online sales comprise the Group's own online stores and third-party platforms spanning Chinese Mainland, Hong Kong and Macao, Southeast Asia and other regions. During the Year, the Group's online sales totalled HK$769.4 million with a year-on-year increase of 7.6%, driven by improved supply chain stability that enhanced the online platform's efficiency. Online sales accounted for 17.6% of the Group's total turnover.

The Group's Profit for the Year Rises 160.5% YoY as Cost Control Yields Strong Results

For the Financial Year, the Group's gross profit was HK$1,674.6 million, representing an increase of 10.5% year-on-year. The growth aligned with the strategic direction of "enhancing sales and gross profit" set by the Group's management in the previous financial year. During the Financial Year, the Group accelerated the introduction of trendy products to align with evolving consumer purchasing patterns. While this strategy exerted temporary pressure on the gross profit margin, resulting in a decrease of 1.3 percentage points to 38.2%, it effectively stimulated business performance. Coupled with the improved operational efficiency in the Chinese Mainland and Southeast Asia, the Group's profit for the Year surged by 160.5% year-on-year to HK$200.5 million (2025: HK$77.0 million). Sales and distribution costs as well as administrative expenses as percentage of turnover decreased from 30.8% and 5.3% to 28.7% and 4.5% respectively, demonstrating the effectiveness of the Group's cost control.

The performance of Hong Kong and Macao was particularly outstanding. Significant growth in same-store sales, number of transactions, average sales per transaction and number of items per transaction drove the region's profit to HK$209.2 million, representing an increase of 62.7% year-on-year. Following the closure of offline operations in the Chinese Mainland, the Group reallocated its resources to focus on online channels, successfully achieving a turnaround with a profit from continuing operations of HK$9.1 million during the Year. On the other hand, Southeast Asia was affected by rising cost-of-living and macroeconomic headwinds, resulting in a loss of HK$14.8 million. During the second half of the Financial Year, the Group proactively adjusted its regional operating strategy with a clear focus on enhancing operational efficiency and profitability.

Strong Cash and Solid Financial Position

The Group maintained a solid financial position during the Year. As at 31 March 2026, the Group's total cash balance was HK$504.8 million (2025: HK$371.1 million) with a year-on-year increase of 36.0%, indicating an improvement in the operational efficiency of the Group and a sufficient cash position to support the operations. Net cash generated from operating activities (less the payment of lease liabilities and interest) for the Year was HK$267.3 million (2025: HK$137.4 million). During the Year, the Group's capital expenditure was HK$52.5 million mainly for new stores, existing stores upgrade and IT investment.

Proposed Final Dividend and Final Special Dividend to Reward Shareholders

The Board proposed paying a final dividend for the Year of 3.4 HK cents per share, and a final special dividend of 1.9 HK cents per share. Including the paid interim dividend of 1.15 HK cents, total dividends for the Year amounted to 6.45 HK cents per share, representing approximately 100% of the profit of the Group for the Year.

1. Hong Kong and Macao

Co-Building a "Mega-Event Ecosystem" with Industry and Government to Capitalise on Festive Sales

Leveraging local festivals and multiple major events, the Group collaborated with various brands on co-branded initiatives and launched discounts as well as promotions across Offline-Merge-Online (OMO) channels. With the successive rollout of various economic and tourism stimulus measures, tourist arrivals to Hong Kong and Macao increased, further boosting sales of stores in tourist areas. During the Year, Hong Kong and Macao recorded a turnover of HK$3,490.4 million with a year-on-year increase of 16.7%; offline turnover was HK$3,250.9 million with a growth of 16.4% year-on-year, representing 93.1% of the region's turnover. VIP members contributed 53.5% of offline sales.

Tourism Recovery Boosts Market and Drives Up Sales Share from Hong Kong and Macao Tourists

Among the Group's 76 stores in Hong Kong, 20 are situated in core-tourist districts such as Tsim Sha Tsui, Mong Kok, Causeway Bay and the cross-border travel hub in West Kowloon. In Macao, the Group operates nine stores, of which four are located on the high streets near major tourist attractions, three are within integrated hotel resort complexes and two are in non-tourist districts. Tourists accounted for 54.1% of total offline sales in Hong Kong and Macao (same period last year: 47.6%), reflecting a steady recovery in the tourism industry. Benefiting from the continuous expansion of the "Mega-Event Ecosystem" in Hong Kong and Macao, as well as the successful staging of various international events and large-scale conferences, the regional consumer sentiment has been significantly boosted. To capture this growing consumer demand, the Group will accelerate the expansion of its store network in Hong Kong, whilst continuing to review market conditions and flexibly optimise the store portfolio where economically justified.

"Trendy Products × Authentic Products" Drive Penetration into Next-Generation Customers

Leveraged its advantage of "first-hand beauty information platform", Sa Sa introduced trendy products with strong buzz and fan bases to stimulate customer spending and collectible demand during the Financial Year. The Group simultaneously strengthened promotions across different platforms to reinforce Sa Sa's shopping assurance of "genuine and authentic products". Through the rollout of flash promotions and targeted campaigns, the Group successfully attracted its target audience and converted engagement into tangible sales. By harnessing the momentum of trendy products in an omni-channel marketing strategy, the Group further narrowed the gap with younger consumers and accelerated brand penetration into the next-generation customer segment.

Across-the-Board Growth in Business Indicators

During the Year, the Group recorded year-on-year growth in same-store sales, average sales per transaction, total number of transactions and number of items per transaction in Hong Kong and Macao, in which same-store sales rose by 18.9% compared with same period last year.

Creating "Experiential Consumption" to Showcase the Value of Physical Stores

Separately, the Group introduced value-added in-store services at designated stores (including smart beauty apps, skin and scalp analysis devices). In line with prevailing beauty trends, the Group also launched a variety of experiential events, including "K-Pop Star Makeup Workshop", limited-time all-you-can-pack cosmetics games, and dedicated in-store trendy photo spots. Leveraging the Sa Sa APP membership pool and big-data analytics, the Group gains deeper insights into customer preferences to recommend the most suitable products and enhance the overall service experience.

Social Platform Engagement to Drive Traffic and Deliver a Seamless OMO Experience

The Group also offers "in-store exclusive" shopping vouchers on popular social platforms in the Chinese Mainland, drawing customers to Sa Sa's physical stores during their trips to Hong Kong and Macao, where they can enjoy a professional and value-for-money shopping experience. This strategy has delivered encouraging results. Customers continue to maintain friendly relationships with Sa Sa and our beauty consultants through social media, allowing the Group to "Make Life Beautiful" for them.

Hong Kong and Macao

Chart 8: Same-store Sales Growth

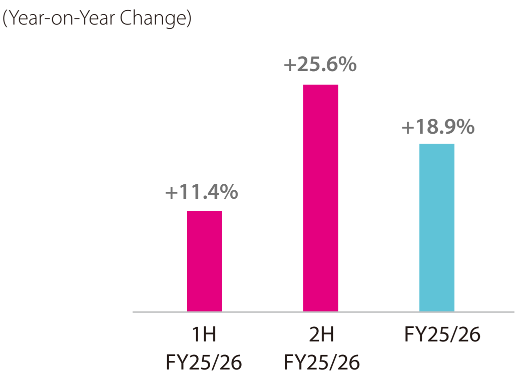
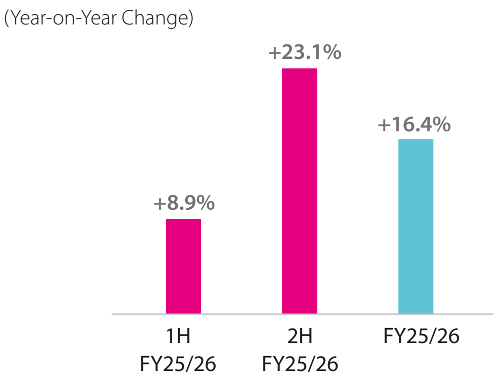


Chart 9: Offline Sales Performance



(Note: 1H: Apr – Sept; 2H: Oct – Mar)

Hong Kong

Chart 10: Same-store Sales Growth

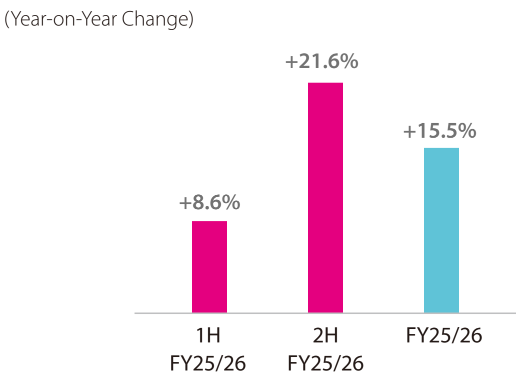
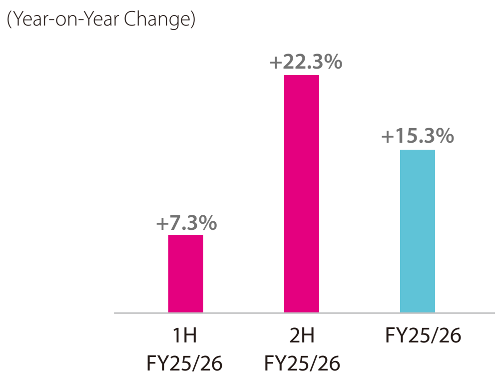


Chart 11: Offline Sales Performance



(Note: 1H: Apr – Sept; 2H: Oct – Mar)

Macao

Chart 12: Same-store Sales Growth

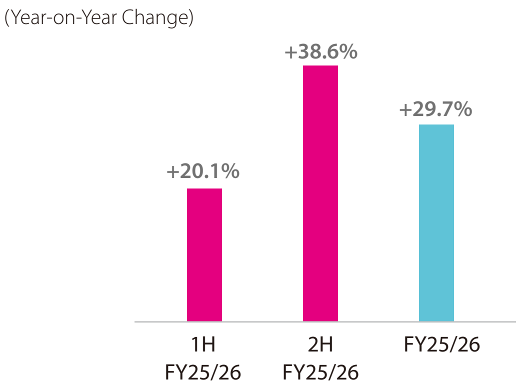
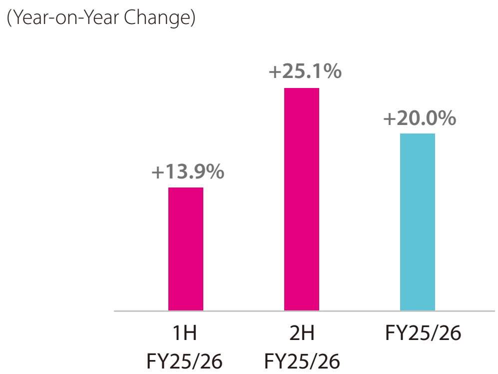


Chart 13: Offline Sales Performance



(Note: 1H: Apr – Sept; 2H: Oct – Mar)

Hong Kong and Macao Online Sales Rise 20.0% YoY with Over Half Coming from Sa Sa VIP Members

During the Financial Year, online turnover in Hong Kong and Macao was HK$239.5 million, representing an increase of 20.0% year-on-year. The growth was mainly attributable to our shopping website and mobile application. In terms of the Group's total online sales, 31.1% was generated from Hong Kong and Macao, in which approximately 51% was contributed by VIP members.

Leveraging Social Engagement Insights to Drive Offline Sales via Online Traffic

The Group has also established online presence on major local third-party platforms, such as HKTVmall. It provides shopping information and limited-time offers through various social media channels, including Facebook, Instagram, Threads, as well as Xiaohongshu and Douyin, which are popular among Chinese Mainland customers. Engaging with customers through these channels allows the Group to refine its procurement and promotional strategies, effectively convert traffic into orders. As a result, both sales and number of transactions recorded encouraging year-on-year growth, and the Group also successfully redirected part of its online traffic from Chinese Mainland social platforms to drive offline sales in Hong Kong and Macao.

2. Chinese Mainland

As the Chinese Mainland retail market is predominantly online-driven, the Group closed all offline stores by 30 June 2025 and concentrated resources to focus on its online business. The Group now primarily operates cross-border e-commerce via WeChat Mini-Programme store and third-party platforms including Tmall, Douyin, Pinduoduo and JD.com.

Significant Improvement in Profitability of Continuing Operations in Chinese Mainland

During the Year, the Group's continuing online operations recorded HK$395.3 million, representing a year-on-year decrease of 5.4%, but it successfully achieved a turnaround with enhanced profitability, reaffirming the Group's long-term strategy of achieving sustainable profitability. Meanwhile, the Group's own WeChat mini-programme store recorded 44.0% growth in monthly active users (MAU) compared with the same period of last year. Going forward, the Group will eliminate platforms that fail to meet expectations to enhance the profitability of its online sales.

3. Southeast Asia

During the Year, the Group's turnover in Southeast Asia was HK$486.7 million with a year-on-year increase of 16.0%; in which offline sales increased by 9.3% year-on-year to HK$362.3 million, accounting for 74.4% of the region's turnover.

The Group's offline operations in Southeast Asia primarily cover Malaysia and Singapore, while the Singapore business is managed by the regional office in Kuala Lumpur, Malaysia. The Group aims to strengthen Sa Sa's brand influence in Southeast Asia through an asset-light operating model. As at 31 March 2026, the Group had 70 stores in Malaysia and five stores in Singapore.

Proactively Navigating Market Challenges with Strategies Gradually Yielding Results

In the first half of the Financial Year, the Malaysian government announced an expansion of the scope of Sales and Service Tax, further increasing the local cost of living. As stated in the previous interim results report, the management devoted additional time and resources to review and refine its local deployment to enhance Sa Sa's competitiveness in the second half of the Financial Year, including enhancement of operating efficiencies across stores and departments to improve both offline sales and same-store sales in Southeast Asia (refer to Charts 14 and 15). During the Year, the Group introduced more trendy and best-selling products to the Southeast Asian market to drive store traffic and strengthen competitiveness. It also strengthened resource sharing across the Group in areas including brand and product management, information technology, finance, talent and training, thereby improving overall synergies.

Chart 14: Same-store Sales Growth

(Year-on-Year Change)

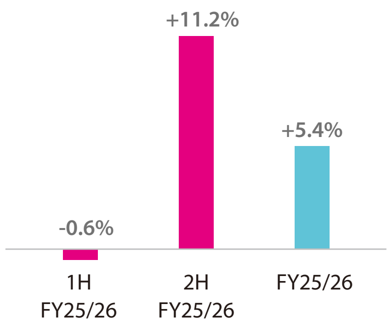
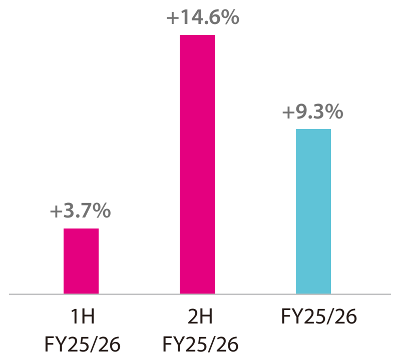


Chart 15: Offline Sales Performance

(Year-on-Year Change)



(Note: 1H: Apr – Sept; 2H: Oct – Mar)

Steady Growth in Southeast Asia Online Business Reinforces Sa Sa's Brand Leadership

The Group's online presence in the region is mainly established through third-party platforms including Shopee, Lazada and Zalora, covering Singapore, Malaysia, the Philippines and Thailand. Driven by both existing and newly expanded online business of the Group in Southeast Asia, the Group's online sales in the region performed satisfactorily during the Year with a year-on-year growth of 41.3% to HK$124.4 million, contributing 25.6% of the total sales in the region.

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

4. Other Jurisdictions

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

FUTURE OUTLOOK

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

With trade disputes remaining unresolved and persisting instability in the Middle East, geopolitical risks are likely to intensify. Consequently, global trade inflation and consumer demand are anticipated to exhibit continued volatility. These uncertainties remain a key overhang that could impact commodity prices, interest rates and exchange rates, thereby influencing consumer sentiment and economic development. Nevertheless, underpinned by its solid foundations built over the years and its agility, the Group remains confident in capturing opportunities amid an evolving landscape.

Optimise Offline Footprint to Further Unlock Growth Momentum

The Group will accelerate the expansion of its offline physical store network, further extending its presence in high-traffic tourist districts and residential areas with strong demand for beauty products subject to rent cost-effectiveness. Concurrently, the Group will optimise product display and operational efficiency across the stores to deliver a more personalised and convenient shopping experience. Meanwhile, the Group will continue to roll out omni-channel promotions aligned with various mega events and thematic campaigns, with an aim of strengthening customer engagement and enhancing brand loyalty.

The Group plans to open six to seven new stores in Hong Kong in the first half of the new financial year to meet customer demand for Sa Sa's beauty products, and expects this expansion to generate stronger financial returns. In Southeast Asia, the Group will introduce more competitive products, review and optimise the operational efficiency, thereby strengthening its competitiveness in the region.

Strengthen Leadership as a "Beauty Giant" through Online Brand Value Enhancement

With Chinese Mainland serving as the Group's largest online market, the Group will continue to leverage traffic from its WeChat Mini-Programme and leading social media platforms to actively promote Sa Sa's reputation for "genuine and authentic products", penetrating further into consumer segments seeking trendy beauty products. Meanwhile, the Group will continue to introduce popular products highly sought after in the Chinese Mainland market, supported by targeted marketing strategies to improve customer conversion rates. The Group will also actively leverage online traffic to drive footfall to its Hong Kong and Macao offline operations, further reinforcing online-to-offline synergies within the Greater Bay Area and realising steady overall business growth.

The Group will continue to identify, nurture and develop promising brands. By strengthening their market visibility and brand equity, we are well positioned to capitalise on emerging opportunities and further unleash their commercial potential.

In Southeast Asia, the Group will also actively develop its online business, while reviewing and adjusting the local store mix and operating models. Leveraging social media platforms to strengthen marketing initiatives and foster closer engagement with consumers, the Group aims to enhance brand penetration and reinforce Sa Sa's leading position in the regional e-commerce market.

The Group will continue to foster steady business growth through a prudent and adaptable approach. The Group will closely monitor market developments, strengthen interdepartmental collaboration, and enhance its competitive edge. While pursuing growth in both sales and gross profit, the Group will maintain a stable gross profit margin, thereby securing a sustainable profitability model.

FINANCIAL YEAR 2026/27 FIRST QUARTER SALES DATA

For the first quarter from 1 April 2026 to 21 June 2026, the Group's total turnover increased by 24.0% year-on-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	Turnover	Year-on-year Change (%)
Offline Sales		
Hong Kong and Macao	820.1	▲ 32.5%
Southeast Asia	83.5	▲ 17.0%
Total Offline Sales	903.6	▲ 30.9%
Online Sales		
Hong Kong and Macao	52.0	▲ 0.9%
Chinese Mainland	81.3	▼ 18.1%
Southeast Asia	33.9	▲ 49.6%
Others	2.6	▲ 25.1%
Total Online Sales	169.8	▼ 3.2%
Total Turnover	1,073.4	▲ 24.0%

Human Resources

As at 31 March 2026, the Group had approximately 2,200 employees. The Group's staff costs for the Year were HK$620.7 million. Details on the Group's human resources initiatives, training and development will be set out in the environment, social and governance report and the enterprise risk management report sections of the annual report of the Company for the year ended 31 March 2026.

Financial Review

Capital Resources and Liquidity

As at 31 March 2026, the Group's total equity amounted to HK$1,282.5 million, including reserves of HK$972.1 million. The Group continued to maintain a strong financial position with working capital of HK$638.7 million that included net cash and bank balances of HK$504.8 million, while unutilised banking facilities were approximately HK$315.4 million, giving total accessible funds of HK$820.2 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, Malaysian Ringgit, United States dollar, Euro, Renminbi and Macao Patac, and deposited in reputable financial institutions with maturity dates falling within a year. This is in line with the Group's treasury policy to maintain liquidity of its funds and continue to contribute a relatively stable yield to the Group.

Financial Position

Total funds employed (representing total equity) as at 31 March 2026 were HK$1,282.5 million, representing a 10.8% increase over the funds employed of HK$1,157.7 million as at 31 March 2025. The gearing ratio, defined as the ratio of total borrowings to total equity, was zero as at 31 March 2026 and 2025.

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

For the year ended 31 March 2026, capital expenditure was HK$52.5 million (2025: HK$58.9 million), mainly for new stores, existing store upgrades and IT investment. Management will continue to devote resources to strengthening our store image, improving consumer experience and raising operational efficiency.

Inventories

As at 31 March 2026, the Group's inventories were HK$767.3 million (31 March 2025: HK$670.0 million) while stock turnover days remained at 103 days.

Charge on Group Assets

As at 31 March 2026, land and buildings with carrying value amounting to HK$83.9 million (31 March 2025: HK$89.5 million) were pledged for banking facilities made available to the Group.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 March 2026.

Capital Commitments

As at 31 March 2026, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK$4.3 million.