Sa Sa Announces Annual Results for FY2025/26

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Group's Profit for the Year Surges by 160.5% YoY

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- *Total Dividends for the Year of 6.45 HK Cents Per Share with a 100% Payout Ratio to Deliver All Returns to Shareholders*
- *Across-the-Board Growth in Business Indicators for Hong Kong and Macao Operations with Same-Store Sales Up 18.9% YoY*
- *Continuing Operations in Chinese Mainland Achieve a Turnaround*
- *Online Platforms' Profitability Continues to Improve*
- *Momentum Sustains in the New Financial Year to Open Six to Seven New Stores in Hong Kong and Macao in 1H*

Performance Highlights

Financial Highlights | Financial Year	**2025/26**	2024/25	Year-on-year change (%)
Continuing operations *(HK$ Million)*			
Turnover	**4,382.6**	3,839.1	+14.2%
Gross profit	**1,674.6**	1,516.0	+10.5%
Gross profit margin (%)	**38.2**	39.5	-1.3 ppt
Group's Profit for the Year*	**200.5**	77.0	+160.5%
Basic earnings per share (HK cents)	**6.5**	2.5	+4.0
Final dividend per share (HK cents)	**3.4**	1.7	+1.7
Final special dividend per share (HK cents)	**1.9**	-	+1.9

** Include Discontinued Offline Business in Chinese Mainland*

- **Ongoing enhancement in regional operational efficiency, driving a 160.5% surge in the Group's profit for the Year:** Building on the solid performance of its Hong Kong and Macao operations, the Group closed its offline operations in Chinese Mainland and unlocked the profitability of its online sales in the market. During the Year, profit for the Year increased by 160.5% to HK$200.5 million.

- **Significant growth in turnover and gross profit for the Group:** Total turnover of the Group increased by 14.2% to HK$4,382.6 million year-on-year, while gross profit grew by 10.5% year-on-year to HK$1,674.6 million, in line with the Group's strategic objectives set early of the Financial Year.

- **Broad-based growth across the core markets of Hong Kong and Macao:** Turnover, same-store sales, number of transactions, average sales per transaction, and number of items per transaction of Hong Kong and Macao increased year-on-year. The Group maintained strong and accelerated growth in the first quarter. In response to market demand, the Group will further continue the expansion of its retail network, with plans to open six to seven stores in Hong Kong and Macao during the first half of new financial year.

- Continued momentum in the first quarter of the new financial year underpinned by Sa Sa's optimised fundamentals. **The Group's turnover for the first quarter up to 21 June increased by 24.0% year-on-year to HK$1,073.4 million**, in which Hong Kong and Macao recorded a turnover of HK$872.1 million, representing a year-on-year increase of 30.1%.
- **Proposed final dividend and final special dividend:** 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 100.0% of the profit for the Year.

(25 June 2026 – HONG KONG) **Sa Sa International Holdings Limited** ("**Sa Sa**" or the "**Group**"; Stock Code: 0178) announced its annual results for the year ended 31 March 2026 ("**the Financial Year**" or "**the Year**").

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. Total turnover of the Group increased by 14.2% year-on-year to HK$4,382.6 million, while gross profit grew by 10.5% year-on-year to HK$1,674.6 million. This 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, in which profit for Hong Kong and Macao surged by 62.7% year-on-year. 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 Group's basic earnings per share was 6.5 HK cents (same period last year: 2.5 HK cents). 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 100.0% of the profit for the Year.

The Group maintained a solid financial position during the Year. The Group's total cash and bank balance was HK$504.8 million, with a year-on-year increase of 36.0%, indicating an improvement in the operational efficiency and a sufficient cash position to support the operations. After deducting the payment of lease liabilities and interest, the Group's net cash generated from operating activities for the Year was HK$267.3 million. As at 31 March 2026, the Group operated 160 physical stores.

Business Review

1. Offline Business

Across-the-board growth in all business indicators in Hong Kong and Macao

The **Hong Kong and Macao** markets are together the Group's largest region by turnover. 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. Tourists accounted for 54.1% of total offline sales in Hong Kong and Macao, representing a year-on-year increase of 6.5 percentage points, reflecting a steady recovery in the tourism industry.

During the Financial Year, the Group's core market, 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. VIP members contributed 53.5% of offline sales. 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, driving the region's profit to HK$209.2 million, representing an increase of 62.7% year-on-year.

During the Year, leveraging 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. 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.

As at 31 March 2026, the Group operated 85 stores in Hong Kong and Macao. To capture this growing consumer demand, the Group will continue the expansion of its store network in Hong Kong, whilst continuing to review market conditions and flexibly optimise the store portfolio where economically justified.

Operating efficiency in Southeast Asia improves, with turnover rising 16.0% YOY

The **Southeast Asia** market recorded a turnover of HK$486.7 million, representing a year-on-year increase of 16.0%; in which offline sales increased by 9.3% year-on-year to HK$362.3million. As the Malaysian government announced an expansion of the scope of Sales and Service Tax, further increasing the local cost of living. In the second half of the Financial Year, the Group devoted additional time and resources to review and refine its local deployment to enhance Sa Sa's competitiveness, including enhancement of operating efficiencies across stores and departments to improve both offline sales and same-store sales in Southeast Asia. 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, thereby improving overall synergies. As at 31 March 2026, the Group operated 75 stores in Southeast Asia (Malaysia and Singapore).

2. Online Business

In terms of **online business**, the Group's online turnover increased by 7.6% year-on-year to HK$769.4 million during the Year, 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.

Continuing operations in Chinese Mainland achieve turnaround, with significant improvement in profitability

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. 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.

Online business in other regions maintains steady growth, with online traffic driving offline sales

Online business in other regions also maintained steady growth. 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 the Hong Kong and Macao, in which approximately 51% was contributed by VIP members. The Group has also established online presence on major local third-party platforms, providing shopping information and limited-time offers through various social media channels. 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.

The Group's online sales in Southeast Asia was HK$124.4 million, representing a year-on-year increase of 41.3%, driven by both existing and newly expanded business in the region.

Outlook and Strategies

Looking ahead, the further expansion of the mega events economy and the unleashed benefits of favourable visa policies will continue to inject growth momentum in the tourism and retail sectors. The wealth effect stemming from the recovery in Hong Kong's property market, a buoyant stock market and an active initial public offering (IPO) market, will help boost consumer sentiment. Meanwhile, Chinese Mainland's steadily improving economy and the strengthening Renminbi will boost the outbound spending intent and actual purchasing power of Chinese Mainland tourists, further driving demand across Hong Kong and Macao's retail market.

The Group will enhance its competitive edge through a prudent and adaptable approach. While pursuing growth in both sales and gross profit, the Group will maintain a stable gross profit margin, thereby securing a sustainable profitability model.

In respect of offline operations, the Group will continue the expansion of its physical store network subject to rent cost-effectiveness. 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 beauty products, and expects this expansion to generate stronger financial returns.

In respect of online operations, the Group will continue to leverage popular local digital platforms — including WeChat Mini Programme Store in Chinese Mainland, as well as online channels in Hong Kong, Macao and Southeast Asia to actively promote Sa Sa's brand reputation. Coupled with targeted marketing strategies, the Group aims to enhance market penetration and costumer conversion rates.

Dr Simon Kwok, *SBS*, *JP*, Chairman and Chief Executive Officer of the Group, concluded, "As a beauty retail brand deeply rooted in Hong Kong and operating across Asia for nearly half a century, Sa Sa remains committed to its founding purpose of 'Making Life Beautiful', optimising its operational strategy to drive the Group's continuous progress. The Group will continue to maintain close collaboration with the SAR Governments and industry to jointly explore new opportunities in the retail sector. Underpinned by its solid foundations built over the years and its agility, Sa Sa remains confident in capturing opportunities amid an evolving landscape. We will continue to strengthen financial resilience and further enhance profitability, striving to reward shareholders' trust and support with outstanding performance."

FINANCIAL YEAR 2026/27 FIRST QUARTER SALES DATA

For the first quarter from 1 April to 21 June 2026, the Group maintained strong and accelerated growth, with total turnover increased by 24.0% year-on-year to HK$1,073.4 million. Hong Kong and Macao recorded a turnover of HK$872.1 million, representing a year-on-year increase of 30.1%.

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 & Macao	820.1	+32.5%
Southeast Asia	83.5	+17.0%
Total Offline Sales	**903.6**	**+30.9%**
Online Sales		
Hong Kong & 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%**

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