Eternal Beauty Holdings Limited
穎通控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6883)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

FINANCIAL HIGHLIGHTS

- Total revenue for the year ended 31 March 2026 of approximately RMB2,152.2 million (for the year ended 31 March 2025: approximately RMB2,083.4 million), year-on-year increase of approximately 3.3%
- Profit for the year ended 31 March 2026 of approximately RMB243.4 million (for the year ended 31 March 2025: approximately RMB227.0 million), year-on-year increase of approximately 7.2%
- Basic earnings per Share for the year ended 31 March 2026 of approximately RMB19.2 cents (for the year ended 31 March 2025: approximately RMB22.7 cents), year-on-year decrease of approximately 15.4%
- The Board has resolved to recommend a final dividend of HK6.0 cents per Share for the year ended 31 March 2026

The Board is pleased to announce the annual results and the consolidated financial statements of the Group for the year ended 31 March 2026, together with the comparative figures for the year ended 31 March 2025, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 RMB'000	2025 RMB'000
Revenue	3	**2,152,230**	2,083,363
Cost of sales	5	**(1,139,694)**	(1,035,246)
Gross profit		**1,012,536**	1,048,117
Selling and marketing expenses	5	**(561,334)**	(592,943)
Administrative expenses	5	**(213,574)**	(207,831)
(Provision for)/reversal of impairment of financial assets		**(2,226)**	605
Other income	4	**11,275**	6,868
Other gains, net	6	**48,044**	13,402
Operating profit		**294,721**	268,218
Finance income	7	**11,203**	1,692
Finance costs	7	**(3,542)**	(6,225)
Finance income/(costs), net	7	**7,661**	(4,533)
Share of loss of a joint venture		**(5,809)**	(2,989)
Profit before income tax		**296,573**	260,696
Income tax expense	8	**(53,202)**	(33,667)
Profit for the year		**243,371**	227,029
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(61,604)**	5,416
Items that has been reclassified to profit or loss:			
Exchange reserve released upon the disposal of subsidiaries	16	**94**	–
Total comprehensive income for the year		**181,861**	232,445
Earnings per share attributable to owners of the Company			
Basic (expressed in RMB cents per share)	9(a)	**19.2**	22.7
Diluted (expressed in RMB cents per share)	9(b)	**19.1**	22.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	**2026** **RMB'000**	2025 RMB'000
Assets			
Non-current assets			
Property, plant and equipment		**9,800**	17,196
Intangible assets		**6,787**	8,761
Right-of-use assets	*11(a)*	**32,342**	72,221
Investment in a joint venture		**1,060**	7,105
Deposits, prepayments and other receivables	*13(b)*	**6,379**	9,399
Deferred tax assets		**24,039**	25,189
		80,407	139,871
Current assets			
Inventories	*15*	**467,714**	434,059
Trade receivables	*13(a)*	**213,774**	250,399
Deposits, prepayments and other receivables	*13(b)*	**130,746**	83,617
Amounts due from related companies		**53**	43,006
Amount due from a joint venture		**10,452**	4,161
Financial assets at FVTPL	*12*	**291,979**	–
Cash and cash equivalents	*14*	**740,990**	255,998
		1,855,708	1,071,240
Total assets		**1,936,115**	1,211,111
Equity and liabilities			
Equity			
Share capital	*17*	**1,240**	*
Reserves		**1,505,724**	690,990
Total equity		**1,506,964**	690,990

* The amount as at 31 March 2025 was below RMB1,000.

	Note	2026	2025
		RMB'000	*RMB'000*
Liabilities			
Non-current liabilities			
Provision for long service payment		**2,122**	2,127
Lease liabilities	*11(b)*	**10,853**	20,416
Total non-current liabilities		**12,975**	22,543
Current liabilities			
Trade payables	*18*	**221,038**	119,505
Contract liabilities	*3*	**15,618**	13,353
Accruals and other payables	*19*	**103,721**	118,741
Provisions		**10,591**	10,144
Income tax payables		**21,890**	27,236
Amount due to a director		**–**	116,281
Bank borrowings	*20*	**18,099**	33,183
Lease liabilities	*11(b)*	**24,947**	58,507
Financial liabilities at FVTPL	*12*	**272**	628
Total current liabilities		**416,176**	497,578
Total liabilities		**429,151**	520,121
Total equity and liabilities		**1,936,115**	1,211,111

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Share capital *(Note 17)* *RMB'000*	Share premium *RMB'000*	Translation reserve *RMB'000*	Statutory reserve *RMB'000*	Share-based compensation *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
Balance at 1 April 2024	*	–	(53,361)	4,782	26,514	480,610	458,545
Profit for the year	–	–	–	–	–	227,029	227,029
Other comprehensive income	–	–	5,416	–	–	–	5,416
Total comprehensive income for the year	–	–	5,416	–	–	227,029	232,445
Balance at 31 March 2025	*	–	(47,945)	4,782	26,514	707,639	690,990
Balance at 1 April 2025	*****	**–**	**(47,945)**	**4,782**	**26,514**	**707,639**	**690,990**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**243,371**	**243,371**
Exchange differences on translation of foreign operations	**–**	**–**	**(61,604)**	**–**	**–**	**–**	**(61,604)**
Exchange reserve released upon the disposal of subsidiaries *(Note 16)*	**–**	**–**	**94**	**–**	**–**	**–**	**94**
Total comprehensive income for the year	**–**	**–**	**(61,510)**	**–**	**–**	**243,371**	**181,861**
Transactions with owners:							
Capitalisation issue	**913**	**(913)**	**–**	**–**	**–**	**–**	**–**
Issuance of shares upon listing	**304**	**876,584**	**–**	**–**	**–**	**–**	**876,888**
Share issuance costs	**–**	**(26,954)**	**–**	**–**	**–**	**–**	**(26,954)**
Issuance of shares from share options	**23**	**27,538**	**–**	**–**	**(25,331)**	**–**	**2,230**
Dividends paid *(Note 10)*	**–**	**–**	**–**	**–**	**–**	**(218,051)**	**(218,051)**
Total transactions with owners	**1,240**	**876,255**	**–**	**–**	**(25,331)**	**(218,051)**	**634,113**
Balance at 31 March 2026	**1,240**	**876,255**	**(109,455)**	**4,782**	**1,183**	**732,959**	**1,506,964**

* The amount as at 31 March 2025 was below RMB1,000.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Note	**2026** *RMB'000*	2025 *RMB'000*
Cash flows from operating activities			
Profit before income tax		**296,573**	260,696
Adjustments for:			
Share of loss of a joint venture		**5,809**	2,989
Depreciation of property, plant and equipment		**13,281**	25,466
Provision for impairment of property, plant and equipment		**723**	523
Amortisation of intangible assets		**3,053**	2,237
Depreciation of right-of-use assets		**51,088**	70,939
Provision for impairment of right-of-use assets		**2,989**	3,143
Finance income		**(11,203)**	(1,692)
Finance costs		**3,542**	6,225
(Gains)/losses on financial assets/liabilities at FVTPL		**(6,016)**	620
Gains on disposal of property, plant and equipment		**(333)**	(183)
Losses on early termination of leases/modification of leases		**2**	773
Gains on disposal of subsidiaries		**(42,627)**	–
Gains on disposal of assets classified as held for sale		**–**	(14,795)
Provision for/(reversal of) impairment of financial assets		**2,226**	(605)
Provision for impairment of inventories		**376**	5,869
Provision for unutilised annual leave		**1,455**	314
Provision for long service payment		**152**	431
Expenses relating to short-term leases		**–**	432
Operating profit before changes in working capital		**321,090**	363,382
Changes in working capital:			
Inventories		**(56,760)**	(49,118)
Trade receivables		**21,333**	(73,405)
Deposits, prepayments and other receivables		**(34,295)**	35,430
Trade payables		**111,724**	24,388
Accruals and other payables and provisions		**(10,844)**	(50,334)
Contract liabilities		**2,265**	(3,031)
Amount due from a joint venture		**(6,291)**	9,337
Amount due from a related company		**(53)**	–
Net cash generated from operations		**348,169**	256,649
Income tax paid, net		**(53,281)**	(19,946)
Net cash generated from operating activities		**294,888**	236,703

	Note	2026	2025
		RMB'000	*RMB'000*
Cash flows from investing activities			
Purchase of property, plant and equipment		**(11,325)**	(26,275)
Purchase of intangible assets		**(1,310)**	(5,102)
Proceeds from disposal of property, plant and equipment		**623**	2,978
Proceeds from disposal of assets classified as held for sale		**–**	17,276
Proceeds from disposal of subsidiaries	*16*	**77,726**	–
Interest received	*7*	**11,203**	1,692
Payment for acquisition of non-listed shares		**(26,155)**	–
Net increase in financial assets/liabilities at FVTPL		**(286,319)**	–
Payment for investment in a joint venture		**–**	(7,233)
Repayment from related companies		**43,006**	8,149
Net cash used in investing activities		**(192,551)**	(8,515)
Cash flows from financing activities			
Interest paid	*7*	**(1,016)**	(1,383)
Draw down of bank borrowings		**–**	41,395
Repayments of bank borrowings		**(13,473)**	(8,611)
Payment of interest element of lease liabilities		**(2,526)**	(4,842)
Payment of principal element of lease liabilities		**(56,275)**	(70,844)
Dividends paid		**(218,051)**	(75,562)
Gross proceeds from issuance of ordinary shares upon listing		**876,888**	–
Proceeds from exercise of share options		**2,230**	–
Advance from a shareholder		**–**	273
Repayment to related parties		**–**	(7,528)
Advance from a director		**–**	46
Repayment to a director		**(116,281)**	(213)
Payment of listing expenses		**(20,415)**	(5,517)
Net cash generated from/(used in) financing activities		**451,081**	(132,786)
Net increase in cash and cash equivalents		**553,418**	95,402
Effect of foreign exchange rate changes		**(68,426)**	9,667
Cash and cash equivalents at beginning of the year		**255,998**	150,929
Cash and cash equivalents at end of the year	*14*	**740,990**	255,998

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

1. GENERAL INFORMATION

Eternal Beauty Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company under the Companies Act, Cap 22 (Law 3 of 1961) of the Cayman Islands with limited liability on 9 January 2024. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") are principally engaged in retail, wholesale and distribution of perfumes, skincare products, color cosmetics, personal care products, eyewear and home fragrances in the PRC, Hong Kong and Macau.

On 18 June 2025, the Company issued a prospectus and launched a global offering of 333,400,000 shares at a price of HK$3.38 per share. On 26 June 2025, the Company has completed the allotment of 333,400,000 shares at the price of HK$2.88 per share. The Company's shares have been listed on the Main Board of the Stock Exchange since 26 June 2025.

On 31 March 2026 and as at the date of this announcement, the ultimate controlling shareholder of the Company is Mr. Lau and Mrs. Lau. The immediate and ultimate controlling company of the Company is Eternal Beauty International Limited, which was incorporated in the British Virgin Islands on 8 January 2024 and is wholly-owned by Mr. Lau and Mrs. Lau.

These consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2. BASIS OF PREPARATION AND ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the HKICPA. HKFRS Accounting Standards comprise HKFRS, HKAS and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets/liabilities at FVTPL, which is measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

2.2 Adoption of new and revised HKFRS Accounting Standards

(i) Application of new and revised HKFRS Accounting Standards

The Group has adopted all of the new or amended HKFRS Accounting Standards and Interpretations issued by the HKICPA that are mandatory for the current reporting period. There was no material impact to the consolidated financial statements as a result of the adoption of these standards.

(ii) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 March 2026 and which have not been early adopted by the Group for the annual reporting period ended 31 March 2026. The Group's assessment of the impact of these new or amended HKFRS Accounting Standards and Interpretations, most relevant to the Group, are set out below:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity	1 January 2026
Amendment to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Group will apply the above new standards and amendments to standards when they become effective. The Group has commenced the assessment of the expected impact of HKFRS 18 as set out below. The directors of the Company assess that the adoption of the other new standards and amendments to standards is not expected to have any significant impact on the results and the financial position of the Group.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 will replace HKAS 1 "Presentation of financial statements", introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements and considers that the adoption of HKFRS 18 is unlikely to have a significant impact on the Group's results of operations and financial position. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's profit for the year, the Group expects that grouping items of income and expenses in the consolidated statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

    – Foreign exchange differences currently aggregated in the line item 'other gain, net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

    – HKFRS 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

    – management-defined performance measures;

    – a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statement of comprehensive income — this break-down is only required for certain nature expenses; and

    – for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated statement of comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ended 31 March 2026 will be restated in accordance with HKFRS 18.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision maker (the "CODM") has been identified as the executive directors of the Company that make strategic decisions. The CODM regards the Group's business as a single operating segment and review consolidated financial statements accordingly. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 and the information that regularly reviewed by the executive directors for the purposes of allocating resources and assessing performance of the operating segment is the consolidated financial statements of the Group, no separate segmental analysis is presented in the consolidated financial statements.

Since all of the Group's revenue and operating profit are generated from the PRC (including Hong Kong and Macau) during the year, no geographical information is presented.

As at 31 March 2026 and 31 March 2025, all the Group's non-current assets are located in the PRC (including Hong Kong and Macau).

During the year, no customer individually contributes 10% or above of the Group's total revenue (2025: Nil). Accordingly, no analysis of major customers was presented for the year ended 31 March 2026 (2025: Nil).

The revenue recognised during the year is as follows:

	2026 ***RMB'000***	2025 *RMB'000*
Sales of goods, net of sales rebates, discounts and returns	**2,134,800**	2,077,750
Service and management fee income	**17,430**	5,613
	2,152,230	2,083,363
Timing of revenue recognition		
– At a point in time	**2,134,800**	2,077,750
– Over time	**17,430**	5,613
	2,152,230	2,083,363

The Group has recognised the following liabilities related to contracts with customers:

	2026 ***RMB'000***	2025 *RMB'000*
Contract liabilities *(Note)*	**15,618**	13,353

Note: Contract liabilities are recognised by the Group when the customer pays consideration but before the Group sells the goods to the customer.

Accounting policies of revenue

The following table shows the revenue recognised during the year related to carried-forward contract liabilities.

	2026 ***RMB'000***	2025 *RMB'000*
Revenue recognised that was included in the contract liabilities at the beginning of the year	**13,353**	16,307

The Group has elected the practical expedient for not to disclose the remaining performance obligation because the performance obligation is part of a contract that has an original expected duration of one year or less.

4. OTHER INCOME

	2026	2025
	RMB'000	*RMB'000*
Government grants *(Note (i))*	**11,272**	5,468
Exhibition support service income *(Note (ii))*	**–**	1,400
Others	**3**	–
	11,275	6,868

Notes:

(i) Government grants are related to financial support funds from the PRC and HKSAR governments. There are no unfulfilled conditions or other contingencies attaching to these grants.

(ii) During the year ended 31 March 2025, the Group has entered into an exhibition cooperation agreement with an independent third party to provide planning, coordination and support services for a perfume exhibition in the PRC.

5. EXPENSES BY NATURE

	2026	2025
	RMB'000	*RMB'000*
Cost of inventories sold *(Note 15)*	**1,104,947**	1,005,984
Provision for impairment of inventories *(Note 15)*	**376**	5,869
Employee benefit expenses	**350,963**	358,445
Advertising and promotion expenses, net of reimbursement received	**188,429**	165,153
Expenses relating to variable lease payments *(Note 11(c))*	**32,569**	41,829
Expenses relating to short-term leases *(Note 11(c))*	**10,956**	20,845
Depreciation of property, plant and equipment	**13,281**	25,466
Amortisation of intangible assets	**3,053**	2,237
Depreciation of right-of-use assets *(Note 11(c))*	**51,088**	70,939
Provision for impairment of property, plant and equipment	**723**	523
Provision for impairment of right-of-use assets *(Note 11(c))*	**2,989**	3,143
Auditors' remuneration		
– audit services	**3,038**	501
– non-audit services	**561**	–
Warehousing and logistic expenses	**54,254**	29,105
Travelling expenses	**10,657**	11,052
Office expenses	**6,511**	12,322
Listing expenses	**20,214**	18,672
Others	**59,993**	63,935
Total cost of sales, selling and marketing expenses and administrative expenses	**1,914,602**	1,836,020

6. OTHER GAINS, NET

	2026	2025
	RMB'000	*RMB'000*
Exchange losses, net	**(930)**	(183)
Gains/(losses) on financial assets/liabilities at FVTPL	**6,016**	(620)
Losses on early termination of leases/modification of leases	**(2)**	(773)
Gains on disposal of property, plant and equipment	**333**	183
Gains on disposal of subsidiaries *(Note 16)*	**42,627**	–
Gains on disposal of assets classified as held for sale	**–**	14,795
	48,044	13,402

7. FINANCE INCOME/(COSTS), NET

	2026	2025
	RMB'000	*RMB'000*
Finance income:		
– Interest income from bank deposits	**11,203**	1,692
Finance costs:		
– Interest expense on bank borrowings	**(1,016)**	(1,383)
– Interest expense on lease liabilities *(Note 11(c))*	**(2,526)**	(4,842)
	(3,542)	(6,225)
Finance income/(costs), net	**7,661**	(4,533)

8. INCOME TAX EXPENSE

The amount of income tax charged/(credited) to the consolidated statement of comprehensive income represents:

	2026	2025
	RMB'000	*RMB'000*
Current income tax		
– Hong Kong profits tax	**36,672**	37,057
– PRC corporate income tax	**14,977**	6,560
Under/(over)-provision of tax in prior year		
– PRC corporate income tax	**541**	(1,935)
Deferred income tax	**1,012**	(8,015)
	53,202	33,667

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rates applicable to profits of the entities under the Group as follows:

	2026	2025
	RMB'000	*RMB'000*
Profit before income tax	**296,573**	260,696
Tax calculated at domestic tax rates applicable to profits in respective countries/places of business	**54,881**	46,607
Tax effects of:		
Income not subject to tax	**(20,487)**	(4,783)
Effect of two-tier tax rate regimes	**(149)**	(152)
Under/(over)-provision of tax in prior year	**541**	(1,935)
Expenses not deductible for tax purpose	**20,234**	7,796
Other temporary differences	**(1,321)**	(4,598)
Previously unrecognised tax losses now recouped to reduce current tax expense	**(1,707)**	(12,455)
Tax effect of tax loss not recognised	**1,215**	3,191
Tax concession	**(5)**	(4)
	53,202	33,667

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue for the year.

In determining the weighted average number of ordinary shares deemed to be in issue during the year ended 31 March 2025, 999,999,998 ordinary shares, after taking into account the capitalisation issue that took place on 26 June 2025 were deemed to have been issued since 1 April 2024. Details of these events were stated in the Note 17 of this consolidated financial statements.

	2026	2025
Profit attributable to the owners of the Company (RMB'000)	**243,371**	227,029
Weighted average number of ordinary share in issue	**1,270,343,890**	1,000,000,000
Basic earnings per share (expressed in RMB cents per share)	**19.2**	22.7

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category from share option of potentially dilutive ordinary shares (2025: Nil).

For the year ended 31 March 2026, the calculation of diluted earnings per share was based on the profit attributable to the owners of the Company and the adjusted weighted average number of ordinary shares outstanding assuming the conversion of all potentially dilutive ordinary shares, which was calculated as follows:

	2026	2025
Profit attributable to the ordinary equity holders of the Company (RMB'000)	**243,371**	227,029
Weighted average number of ordinary shares in issue	**1,270,343,890**	1,000,000,000
Adjustment for share options	**3,538,663**	–
Weighted average number of ordinary shares in issue for diluted earnings per share	**1,273,882,553**	1,000,000,000
Diluted earnings per share (expressed in RMB cents per share)	**19.1**	22.7

10. DIVIDENDS

(a) Dividends payable to equity shareholders of the Company attributable to the year:

	2026	2025
	RMB'000	*RMB'000*
Interim dividend declared and paid of HK4.6 cents (2025: Nil) per ordinary share	**56,380**	–
Special dividend declared and paid of HK3.4 cents (2025: Nil) per ordinary share	**41,671**	–
Final dividend proposed after the end of the reporting period of HK6.0 cents (2025: HK12.9 cents) per ordinary share	**71,037**	120,000
	169,088	120,000

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

	2026	2025
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK12.9 cents (2025: Nil) per ordinary share	**120,000**	–

11. LEASES

(a) Right-of-use assets

	2026	2025
	RMB'000	*RMB'000*
Offices	**4,943**	19,877
Warehouses	**–**	1,934
Shops and counters	**27,332**	49,508
Copy machines	**67**	902
	32,342	72,221

Additions to the right-of-use assets were approximately RMB30,869,000 for the year ended 31 March 2026 (2025: approximately RMB72,761,000).

(b) Lease liabilities

	2026	2025
	RMB'000	*RMB'000*
Current portion	**24,947**	58,507
Non-current portion	**10,853**	20,416
	35,800	78,923

The total cash outflows for leases including payments of short-term leases, variable lease, leases liabilities and payments of interest on leases for the year ended 31 March 2026 were approximately RMB102,326,000 (2025: approximately RMB138,360,000).

(c) Amounts recognised in the consolidated statement of comprehensive income

	2026	2025
	RMB'000	*RMB'000*
Depreciation of right-of-use assets *(Note 5)*	**51,088**	70,939
Provision for impairment of right-of-use assets *(Note 5)*	**2,989**	3,143
Interest expense on lease liabilities *(Note 7)*	**2,526**	4,842
Expenses relating to variable lease payments (included in selling and marketing expenses) *(Note 5)*	**32,569**	41,829
Expenses relating to short-term leases (included in administrative expenses and selling and marketing expenses) *(Note 5)*	**10,956**	20,845

Some of the property leases which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased shops and counters. Variable lease terms are used to link lease payments to store cash flows and reduce fixed cost. The variable lease payments depend on sales and consequently on the overall economic development over the next few years.

12. FINANCIAL INSTRUMENTS BY CATEGORIES

	2026	2025
	RMB'000	*RMB'000*
Assets as per consolidated statement of financial position		
Financial assets measured at amortised cost		
– Trade receivables *(Note 13(a))*	**213,774**	250,399
– Other receivables and deposits (excluding non-financial assets) *(Note 13(b))*	**49,129**	47,938
– Amounts due from related companies	**53**	43,006
– Amount due from a joint venture	**10,452**	4,161
– Cash and cash equivalents *(Note 14)*	**740,990**	255,998
	1,014,398	601,502
Financial assets at FVTPL		
– Short-term bank structured deposits *(Note)*	**264,877**	–
– Unlisted equity funds	**26,916**	–
– Derivatives financial instruments	**186**	–
	291,979	–
Total	**1,306,377**	601,502

Note: Short-term bank structured deposits represent deposits made to Bank of China (Hong Kong) Limited, CMB Wing Lung Bank Limited, DBS Bank (Hong Kong) Limited and Standard Chartered Bank (Hong Kong) Limited for premium currency investment and dual currency investment, which cannot be withdrawn until maturity, which are one month or less.

	2026	2025
	RMB'000	*RMB'000*
Liabilities as per consolidated statement of financial position		
Financial liabilities measured at amortised cost		
– Trade payables *(Note 18)*	**221,038**	119,505
– Accruals and other payables (excluding non-financial liabilities) *(Note 19)*	**65,046**	70,649
– Amount due to a director	**–**	116,281
– Bank borrowings *(Note 20)*	**18,099**	33,183
– Lease liabilities *(Note 11(b))*	**35,800**	78,923
	339,983	418,541
Financial liabilities at FVTPL		
– Derivatives financial instruments	**272**	628
Total	**340,255**	419,169

13. TRADE AND OTHER RECEIVABLES

(a) Trade receivables

	2026	2025
	RMB'000	*RMB'000*
Trade receivables	**215,882**	251,062
Less: Loss allowance	**(2,108)**	(663)
Trade receivables, net	**213,774**	250,399

The ageing analysis of the trade receivables based on invoice date is as follows:

	2026	2025
	RMB'000	*RMB'000*
Within 30 days	**138,785**	164,021
31 – 90 days	**68,204**	85,166
Over 90 days	**8,893**	1,875
	215,882	251,062
Less: Loss allowance	**(2,108)**	(663)
Trade receivables, net	**213,774**	250,399

The carrying values of trade receivables approximate their fair values. The Group generally allows an average credit period of 30 to 90 days to its trade customers.

The carrying amounts of trade receivables are denominated in the following currencies:

	2026	2025
	RMB'000	*RMB'000*
HK$	**75,167**	65,984
US$	**48,071**	65,450
EUR	**113**	–
RMB	**90,423**	118,965
	213,774	250,399

(b) Deposits, prepayments and other receivables

	2026	2025
	RMB'000	*RMB'000*
Prepayments for acquisition of non-listed shares	**26,155**	–
Prepayments for inventories and other operating expenses	**26,642**	21,528
Prepayments for listing expense	**–**	6,608
Prepayments for non-financial assets	**2,846**	2,001
Other receivables *(Note (i))*	**28,389**	22,203
VAT tax recoverable	**32,353**	14,941
Deposits	**20,740**	25,735
	137,125	93,016
Less: Non-current deposits	**(3,533)**	(7,398)
Less: Non-current prepayments	**(2,846)**	(2,001)
Current portion	**130,746**	83,617

Note:

(i) Other receivables

	2026	2025
	RMB'000	*RMB'000*
Other receivables	**36,465**	29,498
Less: Loss allowance	**(8,076)**	(7,295)
Other receivables, net	**28,389**	22,203

The carrying amounts of deposits, prepayments and other receivables are denominated in the following currencies:

	2026	2025
	RMB'000	*RMB'000*
HK$	**42,290**	21,408
RMB	**75,890**	50,921
US$	**6,533**	10,858
EUR	**12,412**	9,829
	137,125	93,016

The carrying amounts of deposits and other receivables approximate to their fair values.

14. CASH AND CASH EQUIVALENTS

	2026	2025
	RMB'000	*RMB'000*
Cash and bank balances	**740,990**	255,998
Maximum exposure to credit risk	**740,930**	255,976

Cash and cash equivalents approximated their fair values are denominated in the following currencies:

	2026	2025
	RMB'000	*RMB'000*
US$	**88,487**	32,763
HK$	**457,955**	55,740
RMB	**176,483**	157,495
GBP	**131**	173
EUR	**5,448**	6,738
SGD	**8,603**	7
Others	**3,883**	3,082
	740,990	255,998

The conversion of cash and bank balances denominated in RMB into foreign currencies and remittance of these deposits or cash out of the PRC are subject to the relevant rules and regulations of foreign exchange promulgated by the PRC government. As at 31 March 2026, the Group's cash at banks and in hand of approximately RMB103,412,000 (2025: RMB52,864,000) were deposited at banks in the PRC.

15. INVENTORIES

	2026	2025
	RMB'000	*RMB'000*
Finished goods – at cost	**413,037**	421,459
Goods in transit	**96,103**	54,878
Less: Stock provision	**(41,426)**	(42,278)
Inventories, net of provision	**467,714**	434,059

The cost of inventories recognised as expenses and included in cost of sales amounting to approximately RMB1,104,947,000 (2025: RMB1,005,984,000) for the year ended 31 March 2026.

Provision for impairment of inventories of approximately RMB376,000 (2025: RMB5,869,000) were recognised for the year ended 31 March 2026 in the consolidated statement of comprehensive income as cost of sales.

Accounting policies for inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

16. DISPOSAL OF SUBSIDIARIES

On 22 May 2025, Eternal Holdings Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Kering Beauté SAS, an independent third party, to dispose 100% of the issued share capital of E & C Group, at a total consideration of approximately RMB100,686,000 (“Disposal”).

Upon completion of the Disposal on 30 May 2025, E & C Group ceased to be subsidiaries of the Group.

	2026
	RMB’000
Cash consideration	**100,686**
Carrying amount of net assets disposed	**(56,103)**
Exchange reserve released upon the disposal	**(94)**
	44,489
Less: professional fee paid and indirect transfer tax accrued	**(1,862)**
Gain on disposal of E & C Group	**42,627**

	2026
	RMB’000
Analysis of assets and liabilities over which control was lost	
– Property, plant and equipment	**3,625**
– Intangible assets	**216**
– Right-of-use assets	**13,922**
– Inventories	**22,729**
– Trade receivables	**12,973**
– Deposits, prepayments and other receivables	**9,602**
– Cash and cash equivalents	**21,480**
– Provision for long service payment	**(12)**
– Lease liabilities	**(15,003)**
– Trade payables	**(6,287)**
– Accruals and other payables	**(2,887)**
– Income tax payables	**(4,255)**
Net assets disposed	**56,103**
Cash consideration received	**100,686**
Cash and cash equivalents disposed	**(21,480)**
Professional fee paid	**(1,480)**
Net cash inflow on Disposal for the year	**77,726**

17. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary share *HK$'000*	Equivalent nominal value of ordinary share *RMB'000*
Authorised:			
As at 1 April 2024 and 31 March 2025			
– Ordinary shares of HK$0.001 each	380,000,000	380	347
Increase in authorised ordinary shares of HK$0.001 each on 6 June 2025 *(Note (i))*	6,620,000,000	6,620	6,046
As at 31 March 2026	7,000,000,000	7,000	6,393
Issued:			
As at 31 March 2025	2	*	*
Capitalisation issue *(Note (ii))*	999,999,998	1,000	913
Issuance of shares upon listing *(Note (iii))*	333,400,000	333	304
Issuance of shares from share options	24,600,000	25	23
As at 31 March 2026	1,358,000,000	1,358	1,240

* The amounts as at 31 March 2025 were below RMB1,000.

Notes:

(i) On 6 June 2025, the authorised share capital of the Company was increased to HK$7,000,000 (equivalent to approximately RMB6,393,000), comprising 7,000,000,000 shares of HK$0.001 each.

(ii) Pursuant to the resolution passed by the shareholder on 6 June 2025, a total of 999,999,998 shares of HK$0.001 each were allotted and issued to the shareholder of the Company whose names appear on the register of members of the Company as at 6 June 2025 on a pro rata basis by way of capitalisation of HK$1,000,000 (equivalent to approximately RMB913,000) from the Company's share premium account on the Listing Date. The capitalisation issue was completed on 26 June 2025.

(iii) On 26 June 2025, pursuant to the listing of the Company's shares on the Stock Exchange, the Company issued a total of 333,400,000 ordinary shares at a price of HK$2.88 per share for a total gross proceed (before related share issuance costs) of HK$960,192,000 (equivalent to approximately RMB876,888,000).

333,400,000 ordinary shares with par value of HK$0.001 each are issued and HK$333,000 (equivalent to approximately RMB304,000) was credited to share capital, and remaining amounts, after netting of listing expenses directly attributable to the issue of new shares of RMB26,954,000, was credited to share premium.

18. TRADE PAYABLES

	2026	2025
	RMB'000	*RMB'000*
Trade payables	**221,038**	119,505

The ageing analysis of the trade payables based on invoice date is as follows:

	2026	2025
	RMB'000	*RMB'000*
Within 30 days	**102,031**	59,060
31 – 90 days	**108,760**	31,565
Over 90 days	**10,247**	28,880
	221,038	119,505

The carrying amounts of trade payables are denominated in the following currencies:

	2026	2025
	RMB'000	*RMB'000*
EUR	**163,250**	94,279
RMB	**38,321**	16,341
US$	**9,839**	1,654
JPY	**7,894**	5,960
HK$	**1,734**	1,271
	221,038	119,505

19. ACCRUALS AND OTHER PAYABLES

	2026	2025
	RMB'000	*RMB'000*
Accruals for advertising and promotion	**42,757**	56,076
Accrual for listing expenses	**–**	4,730
Accrued staff cost	**35,532**	34,555
Other payables and accruals	**22,289**	9,843
Other tax payables	**3,143**	13,537
	103,721	118,741

Accruals and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amounts of accruals and other payables are denominated in the following currencies:

	2026	2025
	RMB'000	*RMB'000*
HK$	**20,681**	9,247
US$	**3,628**	2,796
EUR	**12,787**	1,452
RMB	**66,625**	105,246
	103,721	118,741

20. BANK BORROWINGS AND BANKING FACILITIES

	2026	2025
	RMB'000	*RMB'000*
Bank borrowings with repayment on demand clauses	**18,099**	33,183

As at 31 March 2026 and 31 March 2025, the Group's bank borrowings were repayable as follows:

	2026	2025
	RMB'000	*RMB'000*
Within 1 year	**13,491**	13,758
Between 1 and 2 years	**4,608**	14,451
Between 2 and 5 years	**–**	4,974
	18,099	33,183

All the borrowings are denominated in HK$. The weighted average effective interest rate per annum for the year ended 31 March 2026 was 3.90% (2025: 5.47%).

The banking facilities made available to subsidiaries of the Group are as follows:

	2026		2025	
	Available facilities	**Facilities utilised**	Available facilities	Facilities utilised
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Banking facilities granted to a subsidiary of the Group	**203,349**	**22,622**	232,775	36,872

The Group's banking facilities as at 31 March 2026 and 31 March 2025 were secured and/or guaranteed by unlimited personal guarantees from a controlling shareholder and such guarantee was substituted with corporate guarantees since 11 July 2025.

The bank borrowings have certain covenants and undertakings over Eternal Far East. These financial covenants include:

- Total liabilities and contingent liabilities should not exceed two times the tangible net worth of Eternal Far East.
- Net gearing ratio, at all times, should not exceed 0.3 times.

The Group was in compliance of these covenants and undertakings during the year (2025: same).

MANAGEMENT DISCUSSION AND ANALYSIS

I. Introduction

Looking back on the financial year ended 31 March 2026, the global macro environment was full of uncertainties, with geopolitical tensions, supply chain volatility and weakening consumer confidence continuing to affect market performance. In the face of external challenges, the Group steadily advanced its business development by adhering to two core strategies: "resilience" and "evolution".

This year marked the Group's first full financial year after its listing on the Main Board of the Stock Exchange, representing a new stage of development as the Group formally transitioned from a private enterprise to a publicly listed company. The listing enhanced the Group's corporate governance and compliance standards, while also providing a broader capital market platform. The Group also completed a major upgrade of its strategic positioning, evolving from its previous focus on product distribution and channel operations into an "art of living brand partner", and achieved notable progress in brand portfolio optimization, channel structure adjustment, accumulation of member assets and enhancement of organizational capabilities.

Operationally, the Group adhered to the principle of "profit before scale". Through stringent pricing controls, flexible channel strategies and prudent cost management, the Group effectively mitigated the impact of exchange rate fluctuations, rising costs and consumer stratification. During the year ended 31 March 2026, the Group recorded revenue of RMB2,152.2 million, representing a year-on-year increase of 3.3%, and net profit of RMB243.4 million, representing a year-on-year increase of 7.2%, continuing to demonstrate its profit resilience. Healthy operating cash flow and a stable dividend payout further validated the inherent resilience and sustainability of the Group's business model. The following section first outlines the market overview and industry trends, followed by a detailed review of the Group's business performance and future development strategies.

II. Market Overview and Industry Trends

2.1 Overall landscape of the cosmetics and perfume market

In 2025, China's cosmetics market grew by 2.83% year-on-year, with the growth rate slowing notably compared with previous high-growth periods, while overall consumer behavior became more rational. Against this backdrop, the perfume and fragrance segment performed strongly and became a leading sub-segment driving growth. According to Euromonitor, the compound annual growth rate of China's perfume market reached 13.4% from 2020 to 2025, significantly higher than that of other categories such as skincare products and color cosmetics. iiMedia Research indicated that China's perfume market size exceeded RMB30.0 billion in 2025, mainly benefiting from its emotional value and "self-pleasing" attributes, which enabled the segment to maintain stable performance even amid external volatility. In addition, the functional skincare products and home fragrance markets also recorded strong growth. According to a report by MCR, the compound annual growth rate (CAGR) of functional skincare products reached 18.2%, with the market size reaching RMB210.0 billion in 2025, of which anti-aging and barrier repair accounted for over 50% of the core market. According to data from Gongyan Industry Research Institute, the market size of China's home fragrance market was approximately RMB10.9 billion in 2025, and the market is shifting from "product consumption" to "scenario-led consumption".

Overall, perfumes provide a stable foundation for the Group's core business, while functional skincare products and home fragrances bring structural growth opportunities.

* *Source note: Data on the growth rate of China's cosmetics market is from the China Association of Fragrance Flavour and Cosmetics Industries (industry data for 2025 published in January 2026); the CAGR of 13.4% for the perfume market is from Euromonitor (2021 report); the market size of RMB30.0 billion for the perfume market is from iiMedia Research (April 2026 report); data on functional skincare products is from MCR's 2026 Functional Skincare Industry Brief Report (May 2026); and the size and trends of the home fragrance market are from Gongyan Industry Research Institute (June 2025 report).*

2.2 Trends in core sub-segments

The self-pleasing economy continues to gain momentum: emotional value drives consumers' willingness to pay a premium

The "self-pleasing economy", centered on self-satisfaction, emotional healing and personalized expression, has penetrated fields including color cosmetics, perfumes, home fragrances and personal care products. Consumers are no longer paying primarily for social or functional needs, but are more willing to pay a premium for "self-pleasure" and emotional value, driving the consumption structure from category-based competition toward compound growth driven by scenarios and emotions.

Perfume is a typical representation of this trend, shifting from a "luxury product" to a "daily self-pleasing item". Whether in color cosmetics, perfumes or home fragrances and personal care products, consumer behavior is shifting from "pleasing others socially" to emotional healing and self-pleasure. In terms of channels, online channels focus on content seeding and conversion, while offline channels strengthen experience and brand image. The Group continued to introduce international premium and niche fragrance brands. As of 31 March 2026, its external brand portfolio covered 76 brands, including 56 perfume brands. The Group has positioned high-margin niche fragrances as a key growth direction, aligning with the trend that consumers are willing to pay a premium for unique experiences.

Cross-sector integration of art of living: scenario-driven and two-way cultural exchange

The core of art of living lies in "scenario definition". Consumers expect fragrances to be integrated into specific scenarios such as home, work and travel, promoting the integration of artistic aesthetics into daily life. According to Euromonitor, China's fragrance market size reached RMB28.6 billion in 2026, with home scenarios serving as an important growth driver. In functional skincare products, consumers' focus has shifted from brands to ingredients and efficacy validation. While consolidating its core fragrance business, the Group expanded into functional skincare products. During the year ended 31 March 2026, revenue from skincare products amounted to RMB219.1 million, and non-perfume business revenue (including service fees) increased by 17.0% year-on-year, significantly higher than the Group's overall growth rate, validating the effectiveness of the strategy.

As consumer aesthetics continue to evolve, art of living has become a core arena for the integration of Eastern and Western fragrance cultures. Consumers' demand for fragrances is upgrading from simple product purchasing to a consumer experience with stronger localized attributes. Leveraging its core "super-localization" strategy, the Group's self-owned retail brand Perfume Box has established its presence in multiple cities including Shanghai, Shenzhen and Nanjing. Through a multi-point layout of themed stores and pop-up spaces, it adheres to a "one store, one strategy" approach in customizing spaces and product selections, continuously strengthening the foundation of localized brand operations.

At the same time, Perfume Box is building a moat for the Group's self-operated system. Moving beyond the traditional "one-way product distribution" model, it is establishing a core hub for two-way connectivity between Eastern and Western fragrance industries. On the one hand, through scenario-based storytelling and localized content adaptation, it helps overseas brands achieve localized implementation in the Chinese market. On the other hand, based on its deep understanding of local consumer trends and aesthetic preferences, it provides overseas brand owners with professional and personalized recommendations on product positioning, fragrance selection and market strategies, promoting the upgrade of international fragrances from "localized implementation" to "localized co-creation", and empowering overseas brands to truly achieve "in China, for China".

As such, Perfume Box has formed a unique two-way cultural and industrial closed loop in the industry, opening up strategic room for the Group to upgrade from "product supply" to "value co-creation".

Brand landscape: Chinese domestic and international brands each have their own advantages

Emerging Chinese brands, leveraging Eastern aesthetics and strong value-for-money positioning, continue to increase their market share in the mass and mid-end markets, with particularly active online performance. Industry resources are concentrating toward enterprises with scale and brand strength. Although the premium color cosmetics market remains dominated by international brands, domestic brands are gradually increasing penetration through emerging e-commerce platforms. The Group has identified that domestic brands are entering a critical transition period from marketing-driven growth to brand asset accumulation. During the year ended 31 March 2026, the Group engaged in preliminary discussions regarding a potential investment in the domestic aromatherapy skincare brand "AromeManpo". Overall, Chinese domestic brands have advantages in the mass and mid-end markets, and the future competitive landscape will evolve along with product strength, brand strength and channel deployment. As a strategic hub between international and domestic brands, the Group will continue to capture structural industry opportunities through investment and cooperation.

2.3 Industry competition landscape

During the year ended 31 March 2026, the global and Chinese cosmetics markets generally maintained steady growth, although industry growth momentum slowed compared with previous high-growth stages, and the competitive environment continued to intensify. China's fragrance market steadily expanded from a low penetration base, but competition at both brand and channel levels became increasingly intense. Positioning related to emotional value and art of living has become an important direction for differentiation. In terms of channel structure, emerging models such as online platforms, social e-commerce and livestreaming commerce continued to develop, while offline stores gradually transformed from traditional sales terminals into important arenas for brand experience and member operations. The industry as a whole is characterized by deep online-offline integration and omni-channel operations. Overall, China's cosmetics industry has shifted from a stage primarily driven by incremental expansion to one featuring both competition in the existing market and structural adjustment. Market concentration has continued to increase, and differentiation among brands and business models has further intensified.

III. Business Review

3.1 Overall performance

During the year ended 31 March 2026, the Group adhered to the operating principle of "profit before scale" and actively optimized its brand portfolio and asset structure. For the year ended 31 March 2026, the Group recorded revenue of RMB2,152.2 million, representing a year-on-year increase of 3.3%; operating profit of RMB294.7 million, representing a year-on-year increase of 9.9%; and net profit of RMB243.4 million, representing a year-on-year increase of 7.2%. Gross profit margin was 47.0% and net profit margin was 11.3%.

To enhance overall profit resilience, during the year ended 31 March 2026, the Group disposed of certain subsidiaries with weaker growth momentum or negative contribution and discontinued certain loss-making brands, and concentrated resources on core businesses with high growth potential. Excluding the adverse impact of such disposals, revenue increased by 9.4% year-on-year. On an adjusted basis, the growth of operating profit and net profit was also more favorable than the unadjusted figures, fully demonstrating the effectiveness of the Group's proactive profitability management. Revenue growth was also attributable to the Group's active expansion of distribution channels into cities and platforms not yet covered by its self-operated network, and its implementation of strict pricing policies amid a challenging market environment, thereby effectively consolidating its competitive advantages. As at 31 March 2026, the Group's cash and cash equivalents and short-term bank structured deposits reached RMB1,005.9 million, reflecting ample liquidity. The Board has resolved to recommend a final dividend of HK6.0 cents per share for the year ended 31 March 2026, demonstrating its firm commitment to providing stable returns to Shareholders.

3.2 Analysis of core business segments

The Group's core strategy is to use refined omni-channel management as its foundation and a dual-engine growth model as its driver, upgrading from a brand agency operator to an ecosystem builder for art of living.

Under this strategic framework, the Group's business spans six core categories, namely perfumes, skincare products, color cosmetics, personal care products, eyewear and home fragrances. Its brand matrix ranges from mass entry-level to luxury premium offerings, enabling precise penetration across different consumer segments. Leveraging long-term strategic alliances with leading brand licensors from Europe, the United States and Japan, the Group has built an omni-channel ecosystem network covering more than 7,400 points of sale across Mainland China, Hong Kong and Macau. More importantly, the Group possesses strategic control over the entire channel system. From online platforms to offline stores, and from distribution systems to self-operated terminals, it implements unified market governance, a stringent pricing control system and systematic risk control, thereby safeguarding gross profit margins and brand assets and ensuring resilience and sustainable growth amid macro volatility.

In terms of market positioning, the Group focuses on two major value propositions: the "self-pleasing economy" and "art of living". It covers high-potential segments such as niche perfumes, home fragrances, functional skincare products and eyewear, successfully broadening its market boundaries and closely aligning with consumers' evolving demand for lifestyle taste and emotional value. In terms of growth model, the Group operates a clear dual-engine model. The external brand portfolio serves as the first engine, continuously consolidating its leadership in the fragrance market while extending horizontally into areas such as home fragrances and functional skincare products. Perfume Box, the Group's self-owned retail brand, and Santa Monica, the Group's self-owned brand, form the second engine, driving the Group's strategic transition from a traditional brand agency operator to an ecosystem builder for art of living. The strategic progress of the three major segments of the Group is set out below.

External brands: stabilizing the core foundation and upgrading structurally

The Group continued to strengthen its matrix of premium and niche perfume brands, while completing its art of living deployment in the home fragrance segment with leading international brands including TRUDON, DR. VRANJES, CULTI, ACCA KAPPA and CARRIERE FRERES. As of 31 March 2026, the external brand portfolio covered 76 brands, including 56 perfume brands, 16 skincare brands, 6 color cosmetics brands, 9 personal care brands, 6 eyewear brands and 24 home fragrance brands. The brand structure continued to be optimized, further consolidating the Group's leadership in the fragrance market in Greater China.

In terms of revenue structure, the perfume business recorded revenue of RMB1,689.1 million for the year ended 31 March 2026, with its proportion decreasing from 80.9% to 78.5%, while non-perfume business revenue (including service fees) increased by 17.0% year-on-year, significantly outperforming the Group's overall growth rate. Its proportion increased to 21.5%, making it one of the core engines driving growth. Among them, revenue from skincare products reached RMB219.1 million, representing a year-on-year increase of 44.2%; service and management fee income surged by 210.5% year-on-year, reflecting significant progress in the Group's asset-light model of extending from product operations to brand service capabilities, and the continued optimization of its revenue structure. In addition, the external brand portfolio not only provides stable cash flow, but also continuously enhances growth quality through category structure optimization.

Self-owned retail brand Perfume Box: building a moat for direct-to-consumer terminals and reinforcing growth momentum

Perfume Box is the Group's strategic retail brand that directly reaches end consumers, covering both online and offline channels. During the year ended 31 March 2026, the Group deepened its presence in the Chinese market with differentiated store strategies, including themed specialty stores, limited-time pop-up stores and IP co-branded experiential spaces. Each store flexibly configures product portfolios across different price points and styles based on local consumer preferences. This highly flexible model gives the Group stronger market adaptability and pricing flexibility than industry peers, directly contributing to the improvement of the overall gross profit margin.

As of 31 March 2026, Perfume Box had opened 9 offline stores in core consumer cities including Shanghai, Shenzhen and Nanjing, focusing on areas with strong purchasing power and high fashion awareness. Its cumulative membership approached 750,000, with more than 110,000 new members added during the year ended 31 March 2026. The registration rate of new in-store customers reached 15%, reflecting the continued high-quality accumulation of member assets.

The overall average transaction value of stores exceeded RMB1,250. Sales contributed by members accounted for 50%, and the contribution is highly aligned with consumption power, demonstrating strong customer stickiness and sustainable profit contribution.

Perfume Box covers more than 50 brands and over 2,000 SKUs across online and offline channels, fully meeting fragrance consumption demand from entry-level to advanced products. With its "three-high" model of high average transaction value, high membership conversion and high member value, Perfume Box has become an important growth driver of the Group and has the scalability to be rapidly replicated in more cities.

Self-owned brand Santa Monica: strategic transition from brand management to a art of living ecosystem

Santa Monica is positioned as "art of living from the outside in", building full-category synergy across perfumes, eyewear and home fragrances, and marking the Group's evolution from a brand management role toward a brand ecosystem operator.

During the year ended 31 March 2026, the retail network of Santa Monica eyewear products continued to expand in Mainland China and Hong Kong, entering channels such as major shopping malls and professional ophthalmic hospitals. In terms of product portfolio, the eyewear series includes multiple SKUs such as the S series, M series, K series and sunglasses. The perfume and home fragrance series have also been enriched simultaneously, with multiple upgraded eaux de parfum and scented candles launched, covering mainstream fragrance families including woody, floral, oriental and tea scents. The full-category product portfolio delivered a notable year-on-year growth in revenue from the brand's products.

The development of Santa Monica reflects the Group's strategic extension from external brand operations to self-owned brand asset accumulation and ecosystem operations. Going forward, the Group will replicate this full-category synergy and brand operation model in the cosmetics and home fragrance fields, and continue to build a multi-brand, cross-category art of living ecosystem.

Building a Digital Ecosystem Covering Diverse Social Media Platforms

The Group continues to build an comprehensive social media ecosystem covering Mainland China, Hong Kong and Macao, and formulates corresponding digital marketing strategies for different markets. In the Mainland China market, the Group focuses on Douyin（抖音）and RED（小紅書）platforms, with Douyin emphasising the integration of branding and performance marketing, while RED focuses primarily on content marketing. On Douyin, by collaborating with content creators across multiple fields and leveraging their follower bases for precise reach, the Group focuses on the conversion of A3 target audiences, and effectively facilitates the connection between brand awareness and sales conversion through content promotion and data analytics. On RED, through the optimisation of content strategies and audience operations, the Group continues to enhance brand penetration and search performance among target consumer groups, gradually builds brand trust, and supports traffic conversion on relevant e-commerce channels. The coordinated operation of the two major platforms helps enhance overall marketing efficiency and user value, further consolidating the Group's digital leadership in the Chinese market.

In the Hong Kong and Macao markets, the Group has established a social media operating system tailored to the local media ecosystem, mainly conducting brand promotion through platforms such as Facebook, Instagram, YouTube and Threads, combined with Key Opinion Leader collaborations and content marketing to enhance brand exposure and consumer interaction. At the same time, the Group complements these efforts with digital advertising placements, as well as media and search engine promotion, to expand market coverage. In addition, the Group integrates online promotion with offline activities, including product displays and experiential activities, to strengthen brand awareness and customer engagement, thereby enhancing overall marketing effectiveness.

3.3 Analysis of channel performance

In the face of macroeconomic volatility and changes in consumer behavior, the Group adhered to the principle of "swift action and proactive decision-making", and continued to promote the dynamic optimization of its multi-channel portfolio. During the year ended 31 March 2026, management decisively eliminated low-efficiency sales terminals, while concentrating resources on high-growth-potential formats such as themed self-operated stores, premium department store counters, duty-free channels and brand co-branded pop-up stores, achieving a strategic upgrade of the channel structure.

In terms of revenue contribution, excluding agency service fees, online channel revenue reached RMB792.9 million for the year ended 31 March 2026, representing a year-on-year increase of 4.9%, and accounting for approximately 36.8% of total revenue for the same year. Offline channel revenue reached RMB1,341.9 million, representing a year-on-year increase of 1.5%, and accounting for approximately 62.3% of total revenue for the same year. Both channels recorded positive growth. By channel type, direct sales and retail channels remained generally stable, while distribution channels became the core growth engine. Revenue increased significantly from approximately RMB633.6 million for the corresponding prior year to RMB778.0 million, representing a year-on-year increase of approximately 22.8%. The proportion of sales from distribution channels in total sales increased from approximately 30.4% for the year ended 31 March 2025 to approximately 36.2% for the year ended 31 March 2026, fully demonstrating the effectiveness of channel stratification management and resource reallocation. During the year ended 31 March 2026, the Group completed structural adjustments to approximately 900 points of sale, and added certain high-efficiency terminals, including Perfume Box self-operated stores, premium department store counters and pop-up stores. As a result, the sales network further focused on self-owned retail brands and high-efficiency counters, achieving simultaneous improvement in unit output and channel profit resilience.

Meanwhile, the Group continued to strengthen its digital customer relationship management (CRM) and mid-office systems, and established a precise management mechanism around the full consumer lifecycle, from targeted marketing push notifications and cross-channel consumption tracking to tiered member operations. As at 31 March 2026, the total number of members has exceeded 3 million, and member assets have become a cornerstone for the Group's long-term value accumulation and brand stickiness. The deep integration of channel optimization and the membership system further consolidated the Group's profitability and competitive resilience while maintaining its market share.

IV. Outlook and Future Strategies

4.1 Market trend forecast

Looking ahead, China's cosmetics market is expected to continue a moderate recovery. China's policies to expand domestic demand and the recovery of consumer confidence will provide support to the market. The fragrance segment and art of living sector are expected to remain highly prosperous, as consumers' demand for emotional value and personalized experiences continues to deepen. Brand management groups with localized operational capabilities and omni-channel management experience will encounter structural development opportunities. Leveraging multi-brand management, omni-channel operations and membership system development, the Group is well positioned to continue capturing incremental market opportunities.

4.2 Core strategies of the Group

The Group will continue to pursue the parallel strategies of "resilience" and "evolution", and promote medium- to long-term development around the following six directions:

Deepening the omni-channel layout of art of living

The Group will seize the "self-pleasing economy" and "art of living" as core upgrade opportunities, and take its core fragrance business as the foundation. It will continue to iterate and optimize its overall category structure, and consolidate its leading market position and brand influence in China's fragrance segment. Meanwhile, based on in-depth analysis of consumer trends and user demand, the Group will systematically and orderly advance category extension, steadily expanding into high-potential and highly compatible segments such as home fragrances, functional skincare products, and eyewear, improving its art of living ecosystem, further enhancing its multi-category and all-scenario art of living category layout, and upgrading from single-category advantage to integrated business-format advantage.

At the channel level, the Group will proactively optimize the industry's traditional extensive and scale-based store expansion model, and continue to promote the structural upgrade of its channel strategy. It will shift from broad market coverage to precise, value-oriented and deep operations. The Group will focus on high-value core channels such as premium department stores, airports and cross-border duty-free channels, and experiential direct-operated stores, continuously strengthening terminal scenario control, brand image shaping and ability to shape consumer mindshare, and building an omni-channel operating system with higher barriers, better operating quality and stronger risk resistance, thereby laying a solid foundation for the Group's stable medium- to long-term performance growth.

Accelerating the growth of self-owned brands

Self-owned brands are the Group's core lever for breaking through the growth bottleneck of traditional agency businesses, achieving value upgrading and independent control over profit. They are also a key strategic deployment for the Group to create a second growth curve and enhance overall profitability. The Group will concentrate core resources to empower Perfume Box and Santa Monica, and strive to build these two self-owned brands into the Group's future core growth engines, promoting scalable, branded and high-quality development of the self-owned brand business.

As the Group's core direct-operated retail carrier, Perfume Box will continue to steadily expand its offline direct-operated network, deeply implement the refined operating system of "super-localization" and "one store, one strategy", precisely matching the aesthetics and consumption habits of consumers in different cities and segments, and creating differentiated terminal experiences. While continuing to deepen its presence in key domestic cities and deploy distinctive themed stores, Perfume Box also plans to enter the Hong Kong market and establish a premium benchmark flagship fragrance experience store, improving its terminal layout, continuously strengthening the Group's self-operated retail moat, and opening up an operating chain that directly faces end consumers, thereby achieving deep user accumulation, refined operations and long-term value conversion. Santa Monica will continue to deepen its core brand positioning of "art of living from the outside in". Leveraging the Group's mature operating system, market insight and supply chain integration capabilities, it will continue to launch seasonal limited editions and high-quality cross-sector co-branded series, strengthening differentiated brand memory and market recognition, and effectively avoiding homogeneous competition. At the same time, it will deepen full-category synergies, connect the full chain of products, scenarios and channels, and continue to enhance the overall market competitiveness, user stickiness and brand premium capability of self-owned brands.

Actively investing in and introducing high-growth brands

Leveraging its global brand resources accumulated through long-term industry cultivation, mature channel system and supply chain advantages, the Group will precisely capture segment dividends in the art of living track. It will focus on high-potential, high-barrier and high-margin quality sub-categories, and continue to proactively introduce and strategically invest in niche fragrance and premium skincare brands with differentiated characteristics, high margins and high growth potential. This will further enrich the Group's brand matrix, optimize its overall brand asset structure, fill gaps in its sub-segment layout, and further enhance the quality and profitability of the overall business.

After the year ended 31 March 2026, the Group successfully completed its strategic investment in the domestic aromatherapy functional skincare brand AromeManpo, officially implementing its empowerment layout for high-quality Chinese domestic brands. This marked the Group's shift from a single international brand agency model to a two-way development model of "international introduction + local empowerment". Going forward, the Group will fully deploy its mature core capabilities in omni-channel deployment, digital management, localized content marketing and terminal operations, and deeply bind and collaborate with investee and partner brands. It will comprehensively empower partner brands to achieve localized deep cultivation and scalable growth, realize a synergistic development pattern of mutual benefit and two-way empowerment, and continuously expand the Group's business boundaries and long-term growth potential.

Building an Omni-channel Social Media Content Ecosystem

The Group continues to build an omni-channel social media system covering the Mainland China, Hong Kong and Macao markets. In the Mainland China market, the Group focuses on Weibo (微博), RED, WeChat (微信) and Douyin as its core platforms; while in the Hong Kong and Macao markets, it focuses on mainstream platforms such as Facebook, Instagram, YouTube and Threads. The Group has established a content system comprising "official account operations, creator collaboration and AI-Generated Content support". The principal measures are as follows:

(1) The Group centrally manages and operates the official social media accounts of the Group and its various brands, leveraging its self-owned accounts to carry out front-end user engagement and operations. It also formulates differentiated strategies based on the user characteristics of each platform, and conducts tiered operations for external partner brands, its self-owned retail brand Perfume Box and its self-owned art of living brand Santa Monica, thereby building a user base for its membership system.

(2) The Group has established a creator matrix comprising external Key Opinion Leaders, Key Opinion Consumers and Key Opinion Staff. Through content tiering and target audience matching, the Group enhances reach precision and supports sales conversion.

(3) The Group applies AI-Generated Content to enhance operational efficiency, shorten the content production cycle and optimise costs. At the same time, it promotes industry-academia-research collaboration and, in compliance with applicable laws and regulations and subject to user authorisation, analyses consumer preferences for fragrance notes, thereby optimising its content strategies.

Membership system strategy: planning to build an integrated omni-channel platform

As industry competition shifts from product competition and channel competition to user competition, refined omni-channel user asset operations have become a core factor to building long-term barriers. The Group has positioned omni-channel user asset operations as a core strategy. Going forward, within the scope permitted by law and authorized by users, the Group plans to gradually integrate the member assets of external brands, self-owned brands and Perfume Box, breaking down the historical data silos and operational barriers among different business lines, brands and channels.

By coordinating and integrating member resources across all channels, scenarios and brands, the Group plans to launch an "Omni-channel Passport" membership program and establish a unified, intelligent and refined customer management platform. Leveraging digital capabilities such as big-data user profiling, tiered and layered refined operations, cross-brand sharing of membership benefits, and personalized services and product recommendations at both segment-specific and individual-specific levels, the Group will deeply explore full-lifecycle consumer value, effectively improve user activeness, repurchase frequency and contribution per customer, and significantly enhance brand stickiness and loyalty. Through systematic and digitalized user operations, the Group will build a sustainable user growth flywheel, establish core competitive barriers through differentiated C-end refined operational capabilities, and support the long-term high-quality development of the Group's business.

Focusing on high-margin niche fragrances and cross-sector innovation

The Group will increase resource investment in premium and niche fragrances, and continue to optimize its brand structure and profitability model. Leveraging its omni-channel foundation of more than 7,400 online and offline points of sale nationwide, the Group will fully utilize multi-category and multi-scenario channel synergies, deeply promote cross-category traffic sharing and consumption conversion, maximize the value of existing channels, and continuously increase the revenue contribution of high-margin categories.

At the same time, the Group will continue to break through the boundaries of traditional retail and category operations, actively explore innovative operating models such as immersive consumer experiences, scenario-based art of living marketing and brand cross-sector collaborations, enrich terminal consumption scenarios and the brand content ecosystem, strengthen the Group's core market positioning and industry recognition as an "art of living brand partner", further consolidate its differentiated competitive advantages and optimize its overall profit structure.

Strengthening corporate governance and investor relations

The Group has always regarded compliant governance and standardized operations as the underlying foundation for long-term and stable corporate development, and attaches great importance to the establishment of a listed company governance system and the maintenance of capital market value. Going forward, the Group will continue to improve the governance structure of the Board, internal control system and risk compliance mechanism, strictly comply with the Listing Rules and various regulatory requirements, continuously improve the Group's standardized operation level and the quality of information disclosure, ensure the timeliness, accuracy and transparency of information disclosure, and establish a long-term compliant operating mechanism.

In terms of investor relations management, the Group will establish a regular and multi-dimensional investor communication mechanism to efficiently communicate the Group's strategic layout, operating progress and long-term development value. The Group will continue to consolidate capital market recognition and brand credibility, stabilize market expectations, strengthen market trust, and effectively protect and enhance long-term Shareholder value.

4.3 Operating objectives and development vision

The Group's short – to medium-term objective is to achieve sustained revenue growth and stable profit margins, and to create stable returns for Shareholders through healthy operating cash flow and return on capital. The Group is positioned as a strategic hub connecting China with the global art of living market. At the operating level, it will simultaneously expand two major businesses, namely the introduction of international brands and the global expansion of Chinese brands. At the capability level, it will build full-chain barriers from market access to channel implementation. The Group is committed to becoming the preferred partner for international brands entering China and a core driving force for Chinese brands going global. Its long-term vision is to become a leading art of living brand partner in Asia. The Group will integrate sustainable development into its core strategy and lead resilient growth amid cyclical changes, creating long-term value for all stakeholders.

V. Conclusion

Looking back on the past year, the Group achieved solid operating performance amid a complex and volatile global macro environment, and underwent a strategic transition from a private enterprise towards the governance standards of an international listed company. The healthy operating cash flow and stable dividend payout demonstrated during the period not only fully validated the inherent defensiveness of our business model, but also reflected our relentless efforts to create sustainable value for Shareholders.

Through proactive channel structure optimization, strict pricing discipline, continuous upgrading of external and self-owned brand portfolios, and forward-looking deployment in new art of living tracks, the Group not only improved profit quality amid overall industry fluctuations, but also achieved structural optimization of its revenue mix, laying a solid strategic foundation for medium- to long-term development. "Resilience" enabled us to withstand market tests, face industry difficulties and market challenges directly, and proactively overcome challenges and achieve steady growth. By deepening internal governance and evolving together with our team, we were able to move beyond economic cycles and lead the industry.

Looking ahead, the Group will review itself against higher standards of corporate governance, respond to external uncertainties with prudent steps, and capture structural growth opportunities in the art of living sector with sharp evolutionary capabilities. We will fully leverage our core capability as a strategic partner of global brands in the Asia-Pacific region, and remain committed to creating long-term and shared value for Shareholders, partners, employees and all stakeholders. The Group will move forward steadily amid a continuously changing market landscape and actively promote the healthy development of the industry.

Financial Review

Revenue

The revenue of the Group for the year ended 31 March 2026 mainly represented sales of perfumes, skincare products, color cosmetics, personal care products, eyewear and home fragrances to our customers and service income from certain customers for the operation and management of their daily operations.

For the years ended 31 March 2026 and 31 March 2025, the Group generated a majority of its revenue from the sales of perfumes, which amounted to approximately RMB1,689.1 million and RMB1,687.7 million, representing approximately 78.5% and 80.9% of total revenue of the respective years, respectively. For the same years, the revenue from skincare products was approximately RMB219.1 million and RMB151.9 million, representing approximately 10.2% and 7.3% of total revenue, respectively; and the revenue from color cosmetics was approximately RMB214.1 million and RMB226.2 million, representing approximately 9.9% and 10.9% of total revenue, respectively.

Revenue generated from online channels, which consist of online retailers, self-operated online stores and online distributors, amounted to approximately RMB792.9 million and RMB756.2 million, respectively, for the years ended 31 March 2026 and 31 March 2025, which accounted for approximately 36.8% and 36.3%, respectively, of total revenue for the same years. Revenue generated from offline channels, which consist of offline retailers, self-operated offline stores and offline distributors, amounted to approximately RMB1,341.9 million and RMB1,321.5 million, respectively, for the years ended 31 March 2026 and 31 March 2025, and accounted for approximately 62.3% and 63.4%, respectively, of total revenue for the same years.

The revenue of the Group increased by approximately 3.3% from approximately RMB2,083.4 million for the year ended 31 March 2025 to approximately RMB2,152.2 million for the year ended 31 March 2026. The growth was mainly attributable to the following factors:

(i) The expansion of distribution channels to cities and platforms not yet covered by self-operated offline and online stores of the Group and retailers, bringing additional revenue of approximately RMB144.4 million;

(ii) The divestment of subsidiaries to optimize operational structure and enable the Group to focus strategically on core brands with sound growth potential. Excluding the adverse impact arising from the divestment, revenue growth would have widened from approximately 3.3% to 9.4%; and

(iii) The enforcement of stringent pricing policies to consolidate the Group's competitive advantages amid the challenging market environment, resulting in a temporary decline in the revenue during the year ended 31 March 2026.

Cost of Sales

The cost of sales primarily includes (i) cost of goods sold, which mainly consists of the cost of procuring the products and related customs tax; and (ii) others, which primarily include the provision made for possible drop of net realizable value, transportation expenses associated with procurement of products from suppliers, and business tax and surcharges relating to inventories.

The cost of sales increased by approximately 10.1% from approximately RMB1,035.2 million for the year ended 31 March 2025 to approximately RMB1,139.7 million for the year ended 31 March 2026. Such increase was mainly driven by a rise of around RMB99.0 million in cost of goods sold in tandem with revenue growth, coupled with EUR appreciation against HK$ during the year ended 31 March 2026.

Gross Profit and Gross Profit Margin

The gross profit was approximately RMB1,012.5 million and RMB1,048.1 million for the years ended 31 March 2026 and 31 March 2025, respectively. Our gross profit margin was approximately 47.0% and 50.3% for the years ended 31 March 2026 and 2025, respectively.

The declines in gross profit and gross profit margin for the year ended 31 March 2026 were mainly attributable to the following factors:

(i) Over 70% of the Group's cost of goods sold was denominated in EUR during the year ended 31 March 2026. The appreciation of EUR against HK$ pushed up the cost of goods sold. The average exchange rate utilized by the Group rose from approximately 8.4 for the year ended 31 March 2025 to approximately 9.1 for the year ended 31 March 2026, representing an appreciation of approximately 8.3%;

(ii) The proportion of distribution channel sales in total sales increased from approximately 30.4% for the year ended 31 March 2025 to approximately 36.2% for the year ended 31 March 2026. Such channels carry lower gross profit margin compared with self-operated online and offline stores. Meanwhile, the sales proportion of self-operated online and offline stores dropped from 20.7% to 19.7% over the same period, mainly due to the divestment of subsidiaries principally engaged in self-operated online and offline retail businesses; and

(iii) The implementation of stringent pricing control measures exerted a positive impact on the Group's gross profit margin. However, this benefit was offset by the aforementioned two factors.

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of (i) employee benefits expenses, mainly comprising salaries and benefits of sales and marketing staff; (ii) advertising and promotion expenses relating to marketing and promotional activities; (iii) expenses relating to variable lease payments mainly relating to the lease payments for self-operated offline stores/counters; (iv) amortization of right-of-use assets, which primarily represent amortization for the leases of self-operated stores and counters; (v) depreciation of property, plant and equipment, which primarily represent construction costs of self-operated stores and counters; and (vi) others, which primarily consist of the payments to third-party firms that provided outsourced labor to us in connection with our sales and marketing activities.

The selling and marketing expenses of the Group decreased from approximately RMB592.9 million for the year ended 31 March 2025 to approximately RMB561.3 million for the year ended 31 March 2026, which was mainly due to cost savings resulting from the disposal of subsidiaries and the discontinuation of less profitable businesses. As a result, the Group recorded reductions in employee benefits expenses, expenses relating to variable lease payments, expenses relating to short-term leases, depreciation of property, plant and equipment and depreciation of right-of-use assets during the year ended 31 March 2026. Such cost savings were partially offset by higher advertising and promotional expenses, mainly attributable to the launch of more marketing and publicity campaigns for certain external brands under the Group's management, with a view to boosting business growth and elevating brand exposure amid the fiercely competitive market landscape.

The selling and marketing expenses accounted for 26.1% of the total revenue for the year ended 31 March 2026, representing a drop of 2.4 percentage points from 28.5% for the year ended 31 March 2025.

Administrative Expenses

Administrative expenses primarily represent (i) employee benefits expenses, mainly comprising salaries and benefits of administrative staff; (ii) amortization of right-of-use assets, which mainly represent the amortization of leases of offices and warehouses; (iii) office expenses; and (iv) others, which mainly include fees and expenses derived from administrative operations.

The administrative expenses of the Group increased from approximately RMB207.8 million for the year ended 31 March 2025 to approximately RMB213.6 million for the year ended 31 March 2026. Such increase was mainly attributable to:

(i) an increase of approximately RMB15.0 million in retainer service fees and employee benefits expenses to enhance compliance and corporate governance subsequent to the listing of the Shares on the Stock Exchange; and

(ii) an increase of approximately RMB1.5 million in listing-related expenses incurred in connection with the preparation of the listing.

The aforesaid increases were partially offset by cost savings achieved through the optimization of operation efficiency, enabling the Group to maintain prudent and balanced expense management.

(Provision for)/Reversal of Impairment of Financial Assets

The Group recorded a reversal of impairment of financial assets of approximately RMB0.6 million for the year ended 31 March 2025. The Group recorded a provision for impairment of financial assets of approximately RMB2.2 million for the year ended 31 March 2026, primarily because we made certain provision of impairment for trade and other receivables during the year ended 31 March 2026.

Other Income

The other income primarily represents (i) government grants, which are related to the financial support funds from the PRC and HKSAR governments, and (ii) exhibition support service income, which mainly represents the income derived from the provision of one-off services to an exhibition of perfumes in Mainland China during the year ended 31 March 2025.

The other income increased from approximately RMB6.9 million for the year ended 31 March 2025 to approximately RMB11.3 million for the year ended 31 March 2026. Such growth was mainly attributable to an increase in government grants from the PRC government, which more than offset the decrease in one-off exhibition support service income obtained from external parties during the year ended 31 March 2025.

Other Gains, Net

The Group recorded other gains of approximately RMB13.4 million for the year ended 31 March 2025, primarily reflecting the gains on disposal of assets classified as held for sale arising from the gains on the disposal of a property, partially offset by the losses on early termination of leases/ modification of leases and losses on financial assets/liabilities at FVTPL. The Group recorded other gains of approximately RMB48.0 million for the year ended 31 March 2026, mainly consisting of the gains on disposal of subsidiaries and interest income on short-term bank structured deposits.

Finance Income

The finance income increased from approximately RMB1.7 million for the year ended 31 March 2025 to approximately RMB11.2 million for the year ended 31 March 2026, primarily because the Group placed additional short-term fixed bank deposits using the net proceeds from the listing of the Shares on the Stock Exchange during the year ended 31 March 2026.

Finance Costs

The finance costs decreased from approximately RMB6.2 million for the year ended 31 March 2025 to approximately RMB3.5 million for the year ended 31 March 2026. Such decrease was mainly attributable to the following:

(i) a decrease of approximately RMB2.3 million in interest expenses on lease liabilities, which was in tandem with the reduction in the number of self-operated offline stores and counters under long-term leases, resulting from the divestment of subsidiaries and cessation of low-profit businesses; and

(ii) a decrease of approximately RMB0.4 million in interest expenses on bank borrowings, arising from scheduled monthly principal repayments made during the year ended 31 March 2026.

Share of Loss of a Joint Venture

The Group recorded a share of loss in respect of a joint venture amounting to approximately RMB5.8 million and RMB3.0 million for the years ended 31 March 2026 and 31 March 2025, respectively. The losses were principally attributable to the joint venture's early business development phase. Furthermore, the launch of direct sales channels in Hong Kong and increased marketing and promotion efforts to enhance brand visibility during the year ended 31 March 2026 further increased its operating losses.

Income Tax Expense

The income tax expense increased from approximately RMB33.7 million for the year ended 31 March 2025 to approximately RMB53.2 million for the year ended 31 March 2026. The increase was mainly attributable to the fact that the Group implemented transfer pricing arrangements for certain PRC subsidiaries starting from the year ended 31 March 2025, so as to ensure that these subsidiaries obtain arm's length profits commensurate with their functional activities.

Pursuant to such transfer pricing arrangements:

(i) In the year ended 31 March 2025, the Group utilised tax losses of the relevant Mainland China subsidiaries arising from the years ended 31 March 2023, 2024 and 2025 and recognized deferred tax assets for unutilized tax losses; and

(ii) In the year ended 31 March 2026, the Group could only utilise the current year tax losses of the aforesaid PRC subsidiaries, as all prior years' tax losses had been fully utilised.

Accordingly, the reduction in income tax expenses derived from the aforesaid transfer pricing arrangements was more substantial in the year ended 31 March 2025 compared with the year ended 31 March 2026.

Profit for the Year ended 31 March 2026

As a result of the foregoing, the profit of the Group increased from approximately RMB227.0 million for the year ended 31 March 2025 to approximately RMB243.4 million for the year ended 31 March 2026.

Non-HKFRS Measure

To supplement the consolidated financial statements of the Group presented in accordance with HKFRS Accounting Standards, we also use adjusted net profit as an additional financial measure which is not required by or presented in accordance with HKFRS Accounting Standards. We believe this non-HKFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as it helps our management. However, such non-HKFRS financial measure may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as a substitute for analysis of our business performance or financial condition as reported under HKFRS Accounting Standards.

Adjusted Profit for the Year ended 31 March 2026

We define adjusted profit for the year (non-HKFRS measure) as profit for the year adjusted by listing expenses, retainer service fees and employee benefits expenses to enhance compliance and corporate governance subsequent to the listing, non-recurring gains on disposal and income tax credits from prior year tax losses under the transfer pricing arrangement. The following table reconciles our adjusted profit for the year (non-HKFRS measure) with the profit for the year as presented in accordance with HKFRS Accounting Standards:

	2026	2025
	RMB'000	*RMB'000*
Profit for the year	**243,371**	227,029
Add:		
Listing expenses	**20,214**	18,672
Retainer service fee and employee benefits expenses to enhance compliance and corporate governance subsequent to the listing	**15,027**	–
Less:		
Gains on disposal of assets classified as held for sale	**–**	(14,795)
Gains on disposal of subsidiaries	**(42,627)**	–
Income tax credits from utilization of unrecognized prior year tax losses	**(1,707)**	(12,455)
Adjusted profit for the year (non-HKFRS measure)	**234,278**	218,451

Liquidity and Capital Resources

The Group mainly financed its capital requirements through cash generated from its business operations and the net proceeds from the listing of the Shares on the Stock Exchange.

As at 31 March 2026, the Group's cash and cash equivalents and short-term bank structured deposits exceeded its total bank borrowings and lease liabilities by approximately RMB952.0 million.

Capital Expenditures

The capital expenditures for the year ended 31 March 2026 mainly consist of (i) purchase of property, plant and equipment and (ii) purchase of intangible assets. The capital expenditures amounted to approximately RMB11.8 million and RMB33.6 million for the years ended 31 March 2026 and 31 March 2025, respectively.

Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditures according to our future cash flows, results of operations and financial condition, our business plans, market conditions and various other factors.

As at 31 March 2026, the Group's cash and cash equivalents and short-term bank structured deposits were approximately RMB1,005.9 million, representing an increase of approximately 292.9% compared to approximately RMB256.0 million as at 31 March 2025. This increase was primarily due to net proceeds from the listing of the Shares on the Stock Exchange and cash generated from operating activities, partially offset by dividends paid and repayment to a director, during the year ended 31 March 2026. The Group's cash and cash equivalents and short-term bank structured deposits are mainly denominated in HK$, EUR, RMB and US$.

As at 31 March 2026, the Group's bank borrowings amounted to approximately RMB18.1 million, representing a decrease of approximately 45.5% compared to approximately RMB33.2 million as at 31 March 2025. The decrease was mainly attributable to scheduled monthly principal repayments made throughout the year ended 31 March 2026. All bank borrowings are denominated in HK$. As at 31 March 2026, the unutilized banking facilities amounted to approximately RMB180.7 million (2025: approximately RMB195.9 million).

As at 31 March 2026, the outstanding bank borrowings repayable within 1 year amounted to approximately RMB13.5 million (2025: approximately RMB13.8 million), those repayable between 1 year and 2 years amounted to approximately RMB4.6 million (2025: approximately RMB14.4 million), and those repayable between 2 years and 5 years amounted to Nil (2025: approximately RMB5.0 million). The Group's bank borrowings are subject to floating interest rates. The weighted average effective interest rate per annum for the year ended 31 March 2026 was 3.90% (2025: 5.47%).

Charge on Assets

As at 31 March 2026, the Group had no charges on assets.

Contingent Liabilities

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

Future Plan for Material Investments and Capital Assets

Save as disclosed in the section headed "Significant Events After the Reporting Period" of this announcement in relation to the acquisition of non-listed shares, the Group did not have any other plans for material investments and capital assets.

Significant Investments, Acquisitions and Disposals

Save as disclosed in Note 16 of this announcement in relation to the disposal of subsidiaries in May 2025, there were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures, nor was there any plan authorized by the Board for other material investments or additions to capital assets during the year ended 31 March 2026.

Foreign Exchange Risk Management

The Group's sales and purchases for the year ended 31 March 2026 were mostly denominated in HK$, RMB, EUR, JPY and US$. As such, the Group has transactional currency exposures. The Group's foreign exchange risk exposure is primarily with respect to EUR since a considerable portion of stock procurements are denominated in EUR while most of the sales are denominated in HK$, RMB and US$. During the year ended 31 March 2026, the Group entered into certain forward foreign currency contracts to mitigate its exposures to EUR against HK$. The Board will continue to closely monitor the Group's foreign exchange risk exposure and may use appropriate financial instruments for hedging purposes as and when necessary.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 13 April 2026, 穎通(中國)國際貿易有限公司(Eternal (China) International Trading Co., Ltd.*), a wholly-owned subsidiary of the Company, entered into a capital increase subscription agreement and a shareholders' agreement to subscribe for the newly registered capital of RMB795,037 in Brightday and Dream for a total consideration of RMB97,500,000, thereby acquiring a 15% equity interest in Brightday and Dream upon completion of the capital increase.

Brightday and Dream is a company established under the laws of the PRC, principally engaged in the operation of the aromatherapy efficacy skincare, personal care and fragrance brand AromeManpo.

The agreements have been executed, and all conditions have been fully satisfied.

The consideration was remitted to the designated bank account of Brightday and Dream in two installments on 21 April 2026 and 15 June 2026.

As at 31 March 2026, a refundable earnest money of RMB26,155,000 was paid by the Company in exchange of the exclusive negotiation rights with Brightday and Dream. The earnest money was subsequently offset against the service fee payable to the relevant service provider. The remaining balance was refunded to the Company by 17 June 2026.

USE OF PROCEEDS

On 26 June 2025, the Shares were listed on the Stock Exchange, with 333,400,000 Shares issued at an offer price of HK$2.88 per Share. The net proceeds from the listing of the Shares on the Stock Exchange (after deducting underwriting fees and other related expenses) amounted to approximately HK$881.7 million (the "**Net Proceeds**").

The following table sets forth a summary of the utilization of the Net Proceeds as at 31 March 2026:

Purpose of the Net Proceeds	Approximate percentage of the Net Proceeds	Amount of the Net Proceeds	Utilized amount during the period from the Listing Date to 31 March 2026	Unutilized amount as at 31 March 2026	Expected timeline for utilization
		HK$ million	*HK$ million*	*HK$ million*	
Further develop the self-owned brands of the Group and acquire or invest in external brands	15%	132.3	6.2	126.1	31 March 2028
Develop and expand the direct sales channels of the Group	55%	484.8	12.1	472.7	31 March 2028
Accelerate the digital transformation of the Group	10%	88.2	7.2	81.0	31 March 2028
Enhance the recognition and reputation of the Group	10%	88.2	6.7	81.5	31 March 2028
Working capital and general corporate purposes to support the business operation and growth of the Group	10%	88.2	–	88.2	31 March 2028
	100%	881.7	32.2	849.5	

From the Listing Date to 31 March 2026, the Company utilised approximately HK$32.2 million of the Net Proceeds and the unutilised Net Proceeds as at 31 March 2026 amounted to approximately HK$849.5 million. The expected timeline to use the Net Proceeds is based on the Directors' best estimation, barring any unforeseen circumstances, and it may be subject to change based on the future development of market conditions.

EMPLOYEE REMUNERATION AND RELATIONS

As at 31 March 2026, the Group had a total of 1,083 employees (31 March 2025: 1,133 employees). The total staff cost for the year ended 31 March 2026 was approximately RMB351.0 million, compared to approximately RMB358.4 million for the year ended 31 March 2025. The remuneration packages of the Group's employees are determined with reference to individual qualifications, experience, performance, contribution to the Group and prevailing market rates. The Group remunerates its employees with basic salaries as well as performance-based cash bonuses. The Group has also granted and plans to continue to grant share-based incentive awards to the employees in the future to incentivize their contributions to our growth and development. The Group participates in various employee social security plans for our employees that are administered by the local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance, and the Group makes contributions to employee benefit plans for its employees as required by local authorities in accordance with applicable laws and regulations in all material respects.

FINAL DIVIDEND

The Board has resolved to recommend a final dividend of HK6.0 cents per Share for the year ended 31 March 2026.

Subject to Shareholders' approval at the AGM to be held by the Company, the final dividend will be payable on Wednesday, 30 September 2026 to Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 15 September 2026, being the record date for determining the entitlement to the final dividend.

ANNUAL GENERAL MEETING

The AGM will be held on Tuesday, 25 August 2026. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 20 August 2026 to Tuesday, 25 August 2026, both days inclusive, for the purpose of ascertaining the Shareholders' entitlements to attend and vote at the AGM, during which period no transfer of Shares will be registered and the record date will be on Tuesday, 25 August 2026. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 19 August 2026.

In order to qualify for entitlement to the final dividend for the year ended 31 March 2026, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 15 September 2026.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Company has adopted the code provisions as set out in the Corporate Governance Code as its own code of corporate governance practices.

Since the Shares were listed on the Main Board of the Stock Exchange on 26 June 2025, the Corporate Governance Code was not applicable to the Company prior to the Listing Date. During the period from the Listing Date to 31 March 2026, the Company has complied with the code provisions as set out in the Corporate Governance Code.

Code provision C.5.7 of the Corporate Governance Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting.

On 1 April 2026, the continuing connected transactions and connected transactions were considered and approved by written resolutions instead of a physical board meeting. Please refer to the Company's announcement dated 1 April 2026 for details.

The Board considered that (1) the terms of the tenancy agreements are on normal commercial terms, and the relevant terms of the agreements for the tenancy agreements (including the relevant annual caps) are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole; (2) the relevant interested directors have abstained from voting on the relevant resolutions of the continuing connected transactions and connected transactions; and (3) the adoption of written resolutions would facilitate and maximize the effectiveness of decision-making and implementation. The Board shall nevertheless review its board meeting arrangement from time to time to ensure the appropriate action is being taken to comply with the requirements under the Corporate Governance Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Since the Shares were listed on the Main Board of the Stock Exchange on 26 June 2025, the Model Code was not applicable to the Company prior to the Listing Date. After making specific enquiries to all the Directors, each of them has confirmed that they have complied with the Model Code during the period from the Listing Date to 31 March 2026.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises three members, namely, Mr. Lee Cheuk Yin Dannis, Mr. Nagy Guillaume Nicolas Sébastien and Ms. Chan Soh Cheng, all of whom are independent non-executive Directors. Mr. Lee Cheuk Yin Dannis is the chairman of the Audit Committee.

The Audit Committee has reviewed the Company's consolidated annual results for the year ended 31 March 2026 and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters. The annual results for the year ended 31 March 2026 have been prepared in accordance with HKFRS.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in this annual results announcement have been agreed by the Group's auditor, RSM Hong Kong, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 18 June 2026. The work performed by RSM Hong Kong in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by RSM Hong Kong on this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities from the Listing Date to 31 March 2026.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.eternal.hk). The annual report of the Company for the year ended 31 March 2026 containing all the information required by the Listing Rules will be available on the same websites in due course, and will be despatched to the Shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

SUSPENSION OF TRADING AND RESUMPTION PROGRESS

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 17 March 2026 and will remain suspended until satisfaction of the resumption guidance provided by the Stock Exchange (the "**Resumption Guidance**"). For further details on the trading suspension, please refer to the Company's announcements dated 16 March 2026, 4 May 2026, 12 May 2026 and 16 June 2026 and the Company's circular dated 26 May 2026.

The Company has devised, and is proactively implementing, its resumption plan, with a view to satisfying the Resumption Guidance as soon as practicable. Specifically:

Independent forensic investigation

The Company's Independent Investigation Committee (the "**Independent Committee**") has engaged Messrs. Baker & McKenzie ("**Baker McKenzie**") as legal counsel to advise the Independent Committee. Baker McKenzie has been authorised to engage Acclime Corporate Advisory (Hong Kong) Limited ("**Acclime**") as independent forensic accountants to conduct the investigation.

As of the date of this announcement, Acclime has issued an independent forensic accountant's report (the "**Acclime Report**"), which has been submitted to the Stock Exchange for review.

Independent internal control review

The Audit Committee has engaged Acclime Consulting (Hong Kong) Limited ("**Acclime IC**") as its independent internal control consultant to conduct an independent internal control review of the Company. Acclime IC is in the course of finalising its report and will aim to issue a report as soon as possible.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

"AGM"	the annual general meeting of the Company
"Audit Committee"	the audit committee of the Board
"Board"	the Board of Directors of the Company
"Brightday and Dream"	杭州白晝與夢生物科技有限公司 (Brightday and Dream Biotechnology Co., Ltd.*), a company established under the laws of the People's Republic of China
"China", "Mainland China" or "the PRC"	People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires otherwise, references in this announcement to "China" and the "PRC" do not apply to Hong Kong, Macau and Taiwan
"Company"	Eternal Beauty Holdings Limited (穎通控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 9 January 2024
"Corporate Governance Code"	corporate governance code contained in Part 2 of Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of the Company
"E & C Group"	E & C Holdings Limited and its subsidiaries
"Eternal Far East"	Eternal Optical & Perfumery (Far East) Limited (顥通(遠東)有限公司), a limited liability company incorporated under the laws of Hong Kong, and an indirect wholly-owned subsidiary of the Company
"EUR"	The Euros
"FVTPL"	Fair value through profit or loss
"GBP"	The British Pound Sterling
"Group"	collectively, the Company and its subsidiaries
"HKAS"	Hong Kong Accounting Standards
"HKFRS"	Hong Kong Financial Reporting Standards
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"HK$", and "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"JPY"	Japanese Yen
"Listing Date"	26 June 2025
"Listing Rules"	The Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Model Code"	the model code for securities transactions by directors of listed issuers as set out in Appendix C3 to the Listing Rules
"Mr. Lau"	Mr. Lau Kui Wing
"Mrs. Lau"	Ms. Chan Wai Chun
"RMB"	Renminbi, the lawful currency of the PRC
"SGD"	Singapore Dollar
"Share(s)"	ordinary share(s) of HK$0.001 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"US$"	The United States Dollar
"%"	per cent

By order of the Board
Eternal Beauty Holdings Limited
Lau Kui Wing
Chairman of the Board

Hong Kong, 18 June 2026

As at the date of this announcement, the Board comprises: (i) Mr. Lau Kui Wing, Ms. Lam King, Ms. Lau Wing Yin and Mr. Chu Wai Tsun, Baggio as executive Directors; (ii) Mr. Lau Andy Wing Hang as non-executive Director; and (iii) Mr. Lee Cheuk Yin Dannis, Mr. Nagy Guillaume Nicolas Sébastien and Ms. Chan Soh Cheng as independent non-executive Directors.

* *For identification purpose only*