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## SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 178)

### Unaudited Sales Update for the Second Quarter ended 30 September 2023

The board of directors of Sa Sa International Holdings Limited (the "Company") announces the unaudited sales update of the Company and its subsidiaries (the "Group") for the second quarter from 1 July to 30 September 2023.

HK\$ Million	Turnover			YoY change%	% of Group turnover	Same store sales YoY change %*	F19 Offline Sales recovery* #
	Offline	Online	Total				
HK & Macau SARs	809.4	50.1	859.5	+61.6%	78.4%	+61.6%	45.7%
Mainland China	38.5	107.8	146.3	+13.7%	13.3%	-10.8%	57.8%
Southeast Asia	67.6	20.7	88.3	-0.3%	8.0%	+1.4%	79.6%
Others	-	2.9	2.9	+191.9%	0.3%	-	-
Total	915.5	181.5	1,097.0	+46.2%	100.0%	-	47.2%

\*% calculated in local currency

# Offline retail sales and wholesales ("Offline Sales")

For the second quarter from 1 July to 30 September 2023 ("the Period"), the Group's turnover increased by 46.2% year-on-year to HK\$1,097.0 million. Within this, the Group's Offline Sales increased by 50.6% to HK\$915.5 million, while the Group's online sales increased by 27.7% to HK\$181.5 million. The Group's online sales for the quarter represented 16.5% of the Group's total turnover. Compared with the financial year ended 31 March 2019 before the Covid-19 pandemic ("pre-pandemic period"), the Group's Offline Sales has recovered by 47.2%.

As economies in the region rebalance towards a new norm, the Group is staying agile, keeping a pulse on changing consumer behaviour and adapting operations and leveraging opportunities in the region accordingly.

## Hong Kong & Macau SARs

Offline Sales	
Three months ended 30 September 2023	YoY% change
Total Offline Sales	+69.4%
Same store sales	+61.6%
Average sales per transaction	+32.4%
Total no. of transactions	+32.1%

With the gradual improvement in consumer sentiment, the boost from various festivals and promotions during the 1 July anniversary of the establishment of the Hong Kong Special Administrative Region (“HKSAR”) and summer holidays, the Group’s turnover in the Hong Kong and Macau SARs increased by 61.6% to HK\$859.5 million year-on-year. Offline Sales for the quarter grew at 69.4% year-on-year while same store sales increased by 61.6%. Sales has recovered by 45.7% compared to the pre-pandemic period while we are operating 37 less stores with 81 stores as at 30 September 2023. Tourist sales mix was 50.0% compared with 70% during the pre-pandemic period.

In response to the return of tourism this financial year, we opened three new stores in HKSAR, with two in core tourist districts in Tsim Sha Tsui and one in “The Wai”, a popular new mall in Tai Wai. Offline Sales in the HKSAR during the Period increased 59.1% year-on-year, while same stores sales rose by 58.2%. Our tourist sales mix in the Period in total and for core tourist areas was 38.6% and 61.6%, respectively. The Group continues to invest in the quality of products and provides offering “no fake pledge” and “30-day purchase guarantee” to provide our customers peace of mind, this has and continues to resonate with tourists.

Leveraging the Group’s offline store network and unique team of professional beauty consultants to deliver online-merge-offline (“OMO”) seamless experience, we have continued to grow our VIP membership.

Large-scale exhibitions and activities in Macau SAR during the Period drove sales and saw satisfactory recovery by approximately 65.3% against the pre-pandemic period, recording a 104.6% year-on-year growth and same store sales growth of 71.1% in Offline Sales.

### Mainland China

During the Period, our total online and Offline Sales in Mainland China recorded a year-on-year growth of 13.7% to HK\$146.3 million. Offline Sales recovered to 57.8% of the pre-pandemic period despite operating 19 less stores while our gross profit dollar was on par indicating the improved gross margin performance and much higher operating efficiency this Period. Online sales saw a 55.2% year-on-year growth to HK\$107.8 million with online sales mix in Mainland China at 73.7%.

The Mainland China market remains our mid-to-long term focus, and we have continued to leverage third-party social media platforms and WeChat mini-programme to connect our offline store beauty consultants with customers in Mainland China, to enable them to shop and purchase online at their convenience. We are focused on continuously upgrading our Customer Relationship Management to drive OMO opportunities.

## Southeast Asia

Given the headwinds from cost-of-living challenges in Malaysia, the Group enriched its product portfolio to fit market needs. While the Group recorded a marginal 0.3% decline in total sales, it achieved same store sales growth of 1.4% (in local currency) for the Period. The Group is delivering 79.6% of pre-pandemic Offline Sales recovery despite operating 13 less stores at 68 stores. Online sales in Southeast Asia for the quarter accounted for 23.5% of total sales in this market. The Group will continue its expansion in the region and establish an offline presence in Singapore in time for Christmas 2023.

## Number of Retail Stores by Market

	As at 30 September 2023	As at 30 June 2023	As at 30 September 2022
<b>Hong Kong and Macau SARs</b>	<b>81</b>	81	80
<b>Mainland China</b>	<b>35</b>	38	42
<b>Southeast Asia</b>	<b>68</b>	69	71
<b>Total</b>	<b>184</b>	188	193

The Group's store portfolio changes from time-to-time as leases are due for renewal and re-located in accordance with the Groups overall expansion plans.

**The board of directors wishes to remind shareholders and potential investors that the above information is based on the unaudited management accounts of the Group which have not been reviewed nor audited by the auditors of the Company. Sales performance during the Period is affected by a series of factors; therefore, the operational information for the Period may not be able to reflect the Group's overall performance in a complete reporting period.**

**Shareholders and potential investors of the Company are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the shares of the Company.**

By order of the board of directors  
**Sa Sa International Holdings Limited**  
**KWOK Siu Ming Simon**  
*Chairman and Chief Executive Officer*

Hong Kong, 12 October 2023

As at the date of this announcement, the directors of the Company are:

***Executive Directors***

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

Dr KWOK LAW Kwai Chun Eleanor, *BBS, JP* (Vice-chairman)

Ms KWOK Sze Wai Melody, *MH*

Mr HO Danny Wing Fi (Chief Financial Officer)

Ms KWOK Sea Nga Kitty

***Non-executive Director***

Ms LEE Yun Chun Marie-Christine

***Independent non-executive Directors***

Ms KI Man Fung Leonie, *GBS, SBS, JP*

Mr TAN Wee Seng

Mr CHAN Hiu Fung Nicholas, *MH, JP*