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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 Third Quarter ended 31 December 2024

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 third quarter from 1 October to 31 December 2024 (the "third quarter" or the "period").

HK\$ Million	Turnover			YoY change(%)	(% of Group's turnover)	Same-store sales YoY change (%)*
	Offline	Online	Total			
Hong Kong & Macau	761.9	55.1	817.0	-8.1%	77.4%	-10.5%
Mainland China	25.1	94.9	120.0	-35.8%	11.4%	-12.9%
Southeast Asia	88.2	27.2	115.4	+12.4%	10.9%	-8.2%^
Others	-	2.7	2.7	-11.8%	0.3%	-
Total	875.2	179.9	1,055.1	-10.7%	100.0%	-

* % calculated in local currency ^ Refers to Malaysia only

For the third quarter from 1 October to 31 December 2024, the Group's turnover was HK\$1,055.1 million, declining 10.7% year-on-year. Offline sales amounted to HK\$875.2 million, with a significant improvement in the year-on-year decline from 17.4% in the first half of the financial year to 7.9% during the period. This was attributed to the continuing recovery of tourist arrivals from the Mainland which contributed positively to the Group's offline sales in the Group's core market of Hong Kong and Macau. Offline sales accounted for 82.9% of the Group's total turnover.

Online sales decreased by 22.3%, totalling HK\$179.9 million. This decline was primarily attributed to the Group's strategic realignment of its online business strategies in Mainland China due to the sluggish economic environment. Conversely, online sales in Hong Kong and Macau exhibited stable growth, while Southeast Asia recorded an 12.9% year-on-year increase, primarily through third-party e-commerce platforms. Online sales accounted for 17.1% of the Group's total turnover.

Note: "Hong Kong" refers to "The Hong Kong Special Administrative Region of China" and "Macau" refers to "The Macau Special Administrative Region of China".

Hong Kong & Macau

Offline Sales	
Three months ended 31 December 2024	YoY% change
Total offline sales	-8.3%
Same-store sales	-10.5%
Average sales per transaction	-4.4%
Total no. of transactions	-4.5%

In the Group's core market of Hong Kong and Macau, the influx of Mainland tourists has continued to recover and contributed positively to the Group's offline sales. During the period, turnover in the region experienced a slight year-on-year decline of 8.1% to HK\$817.0 million, marking a notable improvement compared to the declines of 20.4% and 16.4% in the first and second quarters respectively. The smallest year-on-year sales drop was recorded in December 2024 in particular.

On 1 December 2024, Shenzhen resumed its "one visa, multiple entries" policy for visits to Hong Kong. Starting from 1 January 2025, Zhuhai implemented "one trip per week" policy, and the Guangdong-Macao In-Depth Cooperation Zone in Hengqin also permitted "one visa, multiple entries" for travel to Macau. The Group believes that the positive impact of these measures to the tourism and retail industries in Hong Kong and Macau will take time to emerge. Moreover, the ongoing trend of Hong Kong residents tripping north to Mainland and abroad, coupled with the continuous strong US dollar, may lead to a decrease in spending in Hong Kong and Macau by tourists, potentially diminishing the actual benefits brought by these policies.

The Group continued its store upgrade to enhance the shopping experience for customers. Following the implementation of "one visa, multiple entries" policy in our core markets Hong Kong and Macau, the Group will expand and optimise its store network, subject to a step up in inbound tourism, as long as the rental costs are reasonable, and economics make sense.

Mainland China

The economic environment in Mainland China remained sluggish, prompting the Group to restructure its business operations and further scale back its investments in offline activities in the region. Offline stores reduced by 13 compared to the same period last year, and there were three fewer stores compared to the previous quarter. This led to a year-on-year decline in offline sales in Mainland China of 38.7% to HK\$25.1 million, resulting in a total sales decrease of 35.8% to HK\$120.0 million.

Online sales accounted for 79.1% of total sales in the region, while in the first half of the financial year, it was 82.7%, maintaining a similar level. The Group is committed to optimising its online business, maintaining a low return rate to ensure stable development.

The Group will invest in strengthening promotion on popular social media platforms and digital channels, with influencers to promote and increase brand awareness, and credibility among target consumers. The Group will continue to leverage WeChat Mini programme, enabling Sa Sa's beauty consultants to connect with customers who have returned to Mainland China from Hong Kong and Macau, allowing them to shop and purchase online.

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Southeast Asia

The Group's total sales in Southeast Asia was HK\$115.4 million, in which offline sales recorded a year-on-year growth of 12.2% to HK\$88.2 million, representing 76.5% of the total sales in this region, while online sales contributed HK\$27.2 million with a year-on-year growth of 12.9%.

The Group will continue to assess the business performance in Southeast Asian market to make timely adjustments on locations and the number of physical outlets. During the period, the Group reduced two stores in Malaysia to enhance overall operational efficiency.

Number of Retail Stores by Market

	As at 31 December 2024	As at 30 September 2024	As at 31 December 2023
Hong Kong and Macau	84	82	82
Mainland China	20	23	33
Southeast Asia	71	73	70
Total	175	178	185

The Group's store portfolio changes from time-to-time as leases are due for renewal and re-located in accordance with the Group's 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, 17 January 2025

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, JP*

Ms KWOK Sea Nga Kitty

Independent non-executive Directors

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

Mr TAN Wee Seng

Mr CHAN Hiu Fung Nicholas, *BBS, MH, JP*

Ms LEE Yun Chun Marie-Christine

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