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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)

Profit Warning

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors of Sa Sa International Holdings Limited (the “Company”) announces that based on its preliminary assessment of the unaudited consolidated management accounts of the Company and its subsidiaries (the “Group”), the Group expects to record a profit attributable to owners of the Company of approximately HK\$70 million to HK\$80 million for the year ended 31 March 2025, as compared with a profit attributable to owners of the Company of HK\$219 million for the year ended 31 March 2024.

The expected reduction in profit attributable to shareholders was mainly due to the Group’s turnover declining 10% - 11% year-on-year.

Within this turnover in the Group’s core market of Hong Kong and Macau, which accounts for approximately 76% of the Group’s total turnover, is expected to decline 11% - 12% year-on-year. This was due to:

- (i) the ongoing trend of Hong Kong residents tripping north to Mainland China and abroad; and
- (ii) Travel habits of Mainland Chinese tourists in Hong Kong and Macau have changed, showing a preference for experiential travel rather than shopping-centric trips. Coupled with the continuous strong US dollar, these may lead to a decrease in spending in Hong Kong and Macau by tourists.

Following the implementation of the “Multiple-entry Visa Scheme” policy, the influx of Mainland tourist arrival in both Hong Kong and Macau has continued to recover, leading to an improvement on the year-on-year decline of the Group’s offline sales from 17.4% and 7.9% in the first half and the third quarter of the financial year respectively to 4% - 5% during the period. Nevertheless, the economic outlook remains sluggish.

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

In the Mainland Chinese market, online business has become the main retail channel, accounting for approximately 80% of the Group's sales in the region. In view of this, the Group will concentrate its resources on enhancing its online operations, plan to close 18 local physical stores and transition to supplying designated Sa Sa brand products to partners in Mainland China, thereby ensuring continuous service to our customers in the region. The Group believes that the adoption of an asset-light operating model will reduce operating costs and enhance economic efficiency. It is anticipated that this approach will enable coverage of over 20 beauty retail outlets across Mainland China by the financial year 2025/26. Consequently, a one-time provision for store closures in the range of HK\$20 million to HK\$30 million has been recorded during the financial year.

Excluding the one-time provision for store closures in Mainland China, the profit after tax for the second half of the financial year is projected to be between HK\$68 million and HK\$78 million, representing an increase of HK\$36 million to HK\$46 million compared to the HK\$32 million recorded in the first half.

The information contained in this announcement is a preliminary assessment by the board of directors of the Company based on information currently available, including the unaudited consolidated management accounts of the Group for the year ended 31 March 2025, which have not been reviewed or audited by the auditors of the Company, or reviewed by the audit committee of the Company.

The annual results announcement for the year ended 31 March 2025 will be published before 30 June 2025.

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, 25 April 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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