Sa Sa Announces Annual Results for FY2024/25

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Final Dividend of 1.7 HK Cents per Share, Total Annual Dividend of 2.45 HK Cents Per Share, Maintain a Stable Dividend Payout

Offline Sales Continue to Improve, YoY Decline Significantly Narrows in 2H

Performance Highlights

- The Group's turnover decreased by 9.7% to HK$3,941.7 million, mainly due to the continuous outbound travel of residents from the Group's core markets, Hong Kong and Macau to the Mainland China and abroad. This, coupled with a strong US dollar and increasing economic uncertainties brought by trade tariffs, led to cautious spending by visitors to Hong Kong and Macau.
- Tourism stimulus measures improved customer traffic, significantly narrowing the year-on-year decline in offline sales in the Hong Kong and Macau markets from 19.4% in the first half to 6.3% in the second half of the Financial Year.
- The Group will orderly close the remaining 18 physical stores in Mainland China, focusing on developing its online business to enhance profitability. As at 31 May 2025, nine stores have been closed and the remaining stores are expected to be closed by 30 June.
- Southeast Asian offline and online sales increased by 15.4% and 12.4% year-on-year respectively, with the offline average ticket size in Malaysia growing by 10.7% year-on-year.
- Excluding the one-off provision for closure costs of retail stores in Mainland China of HK$30.0 million, recurring profit was HK$107.0 million during the Financial Year.
- Core earnings per share was 3.5 HK cents while basic earnings per share amounted to 2.5 HK cents.
- The Board proposed paying a final dividend for the Year of 1.7 HK cents per share. Total annual dividend amounted to 2.45 HK cents per share, representing approximately 70% of core profit, indicating optimistic outlook for the Group. The Group will seek to maintain a sustainable and steady dividend policy going forwards.

(19 June 2025 - HONG KONG) - **Sa Sa International Holdings Limited** ("**Sa Sa**" or the "**Group**", stock code: 0178) announced its annual results for the year ended 31 March 2025 (the "**Financial Year**" or the "**Year**").

During the Financial Year, the Group's turnover amounted to HK$3,941.7 million, representing a decline of 9.7% year-on-year, largely attributable to the continuous outbound travel of residents from the Group's core markets, Hong Kong and Macau to the Mainland China and abroad. This, coupled with a strong US dollar and increasing economic uncertainties brought by trade tariffs, led to cautious spending by visitors to Hong Kong and Macau. Excluding the one-off provision for closure costs of retail stores in Mainland China of HK$30.0 million, recurring profit was HK$107.0 million.

The Group's core earnings per share was 3.5 HK cents while basic earnings per share amounted to 2.5 HK cents. The Board proposed paying a final dividend for the Year of 1.7 HK cents per share. Total annual dividend amounted to 2.45 HK cents per share, representing approximately 70% of core profit, indicating optimistic outlook for the Group. The Group will seek to maintain a sustainable and steady dividend policy going forwards.

For the Financial Year, the Group's total cash balance was HK$371.1 million. After deducting the payment of lease liabilities and interest, the Group recorded a cash inflow of HK$137.4 million from operating activities, possessing sufficient cashflow for its operating needs. The Group operated a total of 174 physical stores across all regions as at 31 March 2025.

Business Review

The **Hong Kong and Macau** markets are together the Group's largest region by turnover. During the Financial Year, the Group's turnover in its core markets of Hong Kong and Macau decreased by 12.3% to HK$2,991.8 million. In the second half of the Financial Year, the Group saw improvement in both customer traffic and sales, thanks to the implementation of various economic and tourism stimulus measures, as well as visa policies such as "Multiple-entry Individual Visit Scheme (IVS)" and "One Trip per Week," promoting visits to Hong Kong and Macau from Mainland China. The year-on-year decline in the Group's offline sales in this market significantly narrowed from 19.4% in the first half of the Year to 6.3% in the second half. The year-on-year decline in same-store sales also narrowed from 24.3% in the first half of the Year to 7.7% in the second half.

Adapting to market changes, continuously optimising store portfolio

The Group has been adapting to market changes by introducing sought-after items such as inner beauty and health products and optimising its product portfolio to attract more customer traffic and increase customer spending. In addition, the Group enhanced service quality through Sa Sa's professional beauty consultants to improve customer loyalty and repurchase rates. The Group also complemented promotions across various channels, including online platforms like Facebook, Instagram, Threads, as well as offline in-store, to draw customer traffic.

The Group is committed to continually enhancing its store aesthetics to provide customers with improved shopping experience and will strategically expand and optimise its store network in the region, provided that rental costs are reasonable and economically viable. During the Financial Year, the Group opened new stores in Hopewell Centre in Wan Chai, Hong Kong, and at The Kai Tak Mall in Kowloon. As at 31 March 2025, the Group operated 84 stores in Hong Kong and Macau.

Comprehensive optimisation of shopping experience, online penetration in Hong Kong and Macau rises to 6.7%

The Group has further broadened its live-commerce repertoire, including inviting Key Opinion Leaders (KOLs) to host live events at its Hong Kong stores, and travelling to the origins of exclusive brands, such as Europe, South Korea, and Taiwan, to undertake "Brand Origin Journeys" livestreams, enhancing brand storytelling. Concurrently, the Group continued to showcase the latest curated products and various shopping offers on various social media platforms. Sa Sa actively engaged with customers through interactions, allowing the Group to adjust its procurement and promotional strategies in response to customers' feedback and demands. With these strategies, the Group successfully strengthened customer engagement and elevated overall awareness of its brands, particularly its exclusive brands.

During the Financial Year, live streaming began to yield results, generating sales that accounted for 18.3% of Hong Kong and Macau's total online sales. Online penetration in Hong Kong and Macau increased from 0.1% pre-pandemic to 6.7%.

Flexibly adjusting the business model, focusing resources on developing online business in Mainland China

Online sales in **Mainland China** saw a marginal increase of 0.6% year-on-year to HK$417.9 million during the Year, accounting for 80.3% of the region's total sales. The average monthly active users (MAU) of the Group's own WeChat mini-programme increased by 13.4% year-on-year.

As online sales accounted for over 80% of the Group's turnover, and a growing proportion of customers are favouring online shopping. In addition, the Group's existing physical stores is insufficient to achieve economies of scale. In light of this, the Group has decided to reallocate resources to align with local consumer trends. All physical stores will be closed by 30 June 2025, allowing the Group to focus on developing its online businesses and continuing to serve local customers.

As at 31 March 2025, the Group operated 18 physical stores in Mainland China, a decrease of 14 stores compared to the same period last year. As at 31 May 2025, nine stores have been closed. The Group's offline store footprint decreased by 43.8%, offline sales for the Financial Year was HK$102.6 million, representing a year-on-year decrease of 38.2%.

Southeast Asian offline sales up 15.4%

Despite the Group faced pressures from the rising cost of living in Malaysia, **Southeast Asian** offline sales reached HK$331.5 million, a year-on-year increase of 15.4%. In the first half of the Year, same-store sales in Malaysia and offline sales in Southeast Asia saw increases of 4.3% and 18.5% respectively. However, in November 2024, floods in the coastal regions of Malaysia affected hundreds of thousands of residents. This resulted in a 6.4% decline in same-store sales in Malaysia during the second half of the Year, alongside a marginal year-on-year decline of 1.3% in same-store sales in the region during the Year.

Southeast Asian online business achieves satisfactory progress, online sales up 12.4% year-on-year

The Group continued to strengthen its online presence across Southeast Asia and expanded its footprint by launching on Shopee in Thailand and adding Zalora as a new sales channel in Singapore. During the Year, total online sales in Southeast Asia grew 12.4% year-on-year to HK$88.1 million, contributing 21.0% of the total sales in this region, driven by both existing and newly expanded online businesses. Furthermore, the Group's flagship stores consistently maintained top-tier rankings in the "Beauty & Health" category on Shopee and Lazada in Singapore and Malaysia. These achievements underscore the Group's strong brand positioning and competitive edge. By leveraging the broad reach of these platforms and building customer trust, the Group has solidified Sa Sa's presence in the growing online retail landscape.

Outlook and Strategies

Looking ahead, measures to stimulate tourism in Hong Kong and Macau, such as the IVS Policies and mega event economy, are expected to attract more visitors, injecting growth momentum into the local retail sector. With more large enterprises listing in Hong Kong, economic confidence is anticipated to improve, thereby stimulating consumer spending and benefiting the retail industry. Concurrently, the Central Government continues to introduce measures to stabilise and promote the economy, further driving market development. The Group remains optimistic on the long-term prospects of the Mainland China market.

The Group will stay agile and responsive, adapt to the ever-changing market trends and consumer preferences by reviewing its brand portfolio, to curate a selection of skincare and personal care products that best align with current trends. In addition, the Group will align with the new retail landscape by proactively optimising product display, reinforcing the experience of omni-channel integration (OMO) and boosting operational efficiency to create a comprehensive and personalised shopping journey. The goal is to achieve growth in both sales and gross profit while maintaining a stable gross profit margin, ultimately establishing a sustainable model to enhance profitability.

Dr Simon Kwok, ***SBS, JP,*** **Chairman and Chief Executive Officer of the Group**, concluded, "In the face of challenges including global economic uncertainties, tariff issues, and shifts in tourist spending habits, the Group's business has remained resilient. I remain optimistic on the long-term prospects of the retail industry. With a strong reputation for authentic and high-quality products, outstanding retail management and a dedicated team of professional beauty consultants, Sa Sa continues to deepen customer relationships, enhance repurchase rates, strengthen customer loyalty, and further solidify our brand image."

Financial Year 2025/26 First Quarter Sales Data

For the first quarter from 1 April to 15 June 2025 **(**the **"Post Year-end Period")**, the Group's total turnover increased by 4.5% compared to last financial year. Online and offline sales, as well as year-on-year changes of turnover of different regions, are shown in the table below:

HK $ Million	Offline	Online	Turnover	Year-on-year change(%)	% to Group Turnover (%)
Hong Kong & Macau	$577.8	$47.1	$624.9	+9.5%	77.0%
Mainland China#	-	$96.4	$96.4	-23.3%	11.9%
Southeast Asia	$66.7	$21.2	$87.9	+12.5%	10.8%
Others	-	$2.0	$2.0	+9.7%	0.3%
Total	**$644.5**	**$166.7**	**$811.2**	**+4.5%**	**100.0%**

Offline sales of Mainland China will be discontinued, so it would not be recognised as recurring turnover and will not be stated in the operational sales update

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