



Sa Sa Announces Unaudited Sales Update for the First Quarter (April to June 2023) of FY2023/24

HK\$ Million	Turnover			YoY change%	% of Group turnover	Same store sales YoY change %*	F19 Offline Sales recovery**
	Offline	Online	Total				
HK & Macau SARs	814.3	46.5	860.8	+53.5%	82.2%	+69.6%	45.9%
Mainland China	46.3	51.2	97.5	-32.8%	9.3%	+0.8%	67.7%
Southeast Asia	69.5	17.3	86.8	-8.0%	8.3%	-4.1%	80.9%
Others	-	2.4	2.4	+4,048.1%	0.2%	-	-
Total	930.1	117.4	1,047.5	+30.9%	100.0%	-	47.9%

*% calculated in local currency

Offline retail sales and wholesales ("Offline Sales")

(14 July 2023 - HONG KONG) - **Sa Sa International Holdings Limited** (the "Company", stock code: 0178) announced today the unaudited sales update of the Company and its subsidiaries (the "Group") for the first quarter from 1 April to 30 June 2023.

For the first quarter from 1 April to 30 June 2023 ("the Period"), the Group's turnover increased by 30.9% year-on-year to HK\$1,047.5 million. Within this, the Group's Offline Sales increased by 44.6% to HK\$930.1 million, while the Group's online sales decreased by 25.3% to HK\$117.4 million. The Group's online sales for the quarter represented 11.2% 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 47.9%.

The Group turned around its business in the third quarter of the financial year ended 31 March 2023 and recorded a net profit, while the growth momentum has continued since then.

Hong Kong & Macau SARs

Offline Sales	
Three months ended 30 June 2023	YoY% change
Total Offline Sales	+60.7%
Same store sales	+69.6%
Average sales per transaction	+28.3%
Total no. of transactions	+31.5%

Continued growth momentum in Hong Kong and Macau SARs following the re-opening of boundaries between Mainland China and, Hong Kong and Macau SARs brought a significant increase in turnover during the Period by 53.5% year-on-year to HK\$860.8 million. Offline Sales for the quarter grew at 60.7% while same store sales increased by 69.6%. Within this, tourist sales mix was 47.3% compared with 70% in the pre-pandemic period.

Our online business in Hong Kong and Macau SARs accounted for 5.4% of total sales in this market. We continue to adapt and leverage the Group's offline store network and unique team of professional beauty consultants to deliver online-merge-offline ("OMO") addressing the needs of modern consumers who are looking for a seamless experience wherever they appear.

Offline Sales in Hong Kong SAR in the Period increased 58.3% year-on-year, while same stores sales rose by 71.8%. Tourist traffic so far is concentrated in our stores in traditional core tourist areas and has yet spread to other areas. Core tourist districts in Hong Kong SAR are Tsimshatsui, Mongkok, Causeway Bay and cross-boundary travel hubs at West Kowloon and Lok Ma Chau stations. Our tourist sales mix in the Period in total and for core tourist areas was 35.3% and 58.2%, respectively.

Resumption of tourism and economic activities in Macau SAR drove sales, which recorded a 67.5% year-on-year growth in Offline Sales during the Period, recovering to approximately 66.6% of the pre-pandemic period.

Mainland China

Mainland China continued its gradual recovery with same store sales growth of 0.8% (in local currency) to HK\$97.5 million. Sales recovered to 67.2% of the same period last year, and this was achieved with 33 less stores while our gross profit dollar was on par indicating the improved gross margin performance and much higher operating efficiency this year. Online sales mix in Mainland China for the current quarter was 52.5% of total sales in this market.

The Group will continue to leverage WeChat mini-programme to connect Sa Sa's beauty consultants with customers in Mainland China. With the return of and gradual increase in Mainland China tourists visiting Hong Kong and Macau SARs, the Group is actively promoting the WeChat mini-programme and mobile application, and seeking to connect with these customers after they return to Mainland China to enable them to shop and purchase online. The Group endeavors to further enhance its Customer Relationship Management ("CRM") and drive OMO opportunities.

Southeast Asia

Offline sales in Malaysia is facing headwinds from cost of living challenges and recorded a marginal same store sales decline of 4.1% (in local currency) for the Period. The Group is delivering 80.9% of pre-Covid Offline Sales despite operating 12 less stores at 69 stores. Online sales in Southeast Asia for the quarter accounted for 19.9% of total sales in this market.

Number of Retail Stores by Market

	As at 30 June 2023	As at 31 March 2023	As at 30 June 2022
Hong Kong and Macau SARs	81	79	82
Mainland China	38	37	71
Southeast Asia	69	70	70
Total	188	186	223

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. And the Group will adjust its expansion plan to negotiate for fair rent on lease renewals.

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