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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)

Positive Profit Alert

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\$50 million to HK\$70 million for the year ended 31 March 2023 as compared with a loss attributable to owners of the Company of HK\$344 million for the year ended 31 March 2022 and a loss of HK\$133 million for the six months ended 30 September 2022.

The Group expects to record a profit attributable to owners of the Company of approximately HK\$183 million to HK\$203 million in the second half of the year ended 31 March 2023, attributable mainly to the impact of:

- (i) cost structure optimisation and gross margin expansion resulting in a turnaround and marginal net profit in the third quarter ended 31 December 2022;
- (ii) sales growth in Hong Kong and Macau SARs in the fourth quarter ended 31 March 2023 following the re-opening of the border between Hong Kong SAR and Mainland China; and
- (iii) recognition of a deferred tax asset in respect of prior years’ tax losses in Hong Kong and Macau SARs amounting to approximately HK\$81 million following a return to profit and anticipated utilisation of these losses to offset against future taxable profits.

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 2023, 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 2023 will be published before 30 June 2023.

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, 8 May 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*