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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 Updates for the Fourth Quarter ended 31 March 2021

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 fourth quarter from 1 January to 31 March 2021.

Highlights	
Group - Retail and Wholesale (Continuing operations)	
	<i>3 months ended 31 March 2021</i>
Turnover (HK\$ million)	818.8
YoY% change	-3.4%
Hong Kong and Macau SARs - Retail and Wholesale	
Turnover (HK\$ million)	534.1
YoY% change	-18.8%
Same store sales YoY% change	-18.8%
Average sales per transaction (HK\$)	250
YoY% change	9.0%
Total no. of transactions (million)	2.0
YoY% change	-25.2%

For the fourth quarter from 1 January to 31 March 2021, the Group's retail and wholesale turnover decreased by 3.4% year on year, indicating a narrowing decline. This was mainly due to the extremely low comparison base caused by the outbreak of COVID-19 pandemic in early 2020. The rebound in the number of Mainland Chinese visitors in the Macau SAR after border re-opening, and the continuing growth in both the Group's e-commerce business and its operations in Mainland China also helped narrow the decline in the Group's turnover. Compared with FY2018/19, the Group's turnover for the continuing operations in the fourth quarter decreased by 59.0%, slightly exceeding the decline of 55.8% in the third quarter.

In the Hong Kong and Macau SARs, the Group's retail and wholesale turnover for the fourth quarter decreased by 18.8% year on year, and decreased by 69.1% compared with that in the same period of FY2018/19.

The performance of the Group's operations in the Macau SAR was better than that of its operations in the Hong Kong SAR. With the COVID-19 pandemic brought under control, the Macau SAR has gradually opened up the city again for travelers from Mainland China under the Individual Visit Scheme commencing mid-August last year, resulting in a slow and gradual recovery of mainland tourists. The year-on-year sales decline of mainland customers narrowed from 98.3% in the first half to 7.8% in the fourth quarter, but still decreased by 62.4% compared with that in the fourth quarter of FY2018/19. After the Macau SAR government's Consumption Subsidy Scheme ended last December, the sales growth from local customers in the fourth quarter was lower than that in the third quarter, but still surged by 115.7% year on year, and increased by 100.3% compared with the fourth quarter of FY2018/19. Overall, the Group's sales in the Macau SAR in the fourth quarter increased by 22.8% year on year, due to an extremely low comparison base in the previous year, and decreased by 41.7% compared with those in the same period of FY2018/19.

In the Hong Kong SAR, sales were still dominated by local customers as the city had not yet reopened its border and the number of mainland visitors was low. During the quarter, the outbreak of the fourth wave of COVID-19 pandemic continued to weigh on sales. Due to the low comparison base in the previous year, the year-on-year decline in the Group's retail sales in the fourth quarter narrowed to 32.8%, but the decline was 76.9% compared with that in the same period of FY2018/19. As the COVID-19 vaccination plan has already started in Hong Kong, the Group hopes that the worst of the pandemic has passed. However, the operating environment is still full of uncertainties before the city reopens its border. The Group will continue to reduce costs and optimize the cost structure with the aim of turning around with a profit soonest and enhancing its profitability for the long term.

The Group made an all-out effort to expand its existing online business, including investing in social commerce and integrating some of its online and offline operations. The Group's improving e-commerce business continues in strength into the fourth quarter and was helped by also the low comparison base in the previous year caused by the impact of the pandemic on logistics at the time. The Group's online sales growth in the fourth quarter was 101.6% on a year-on-year basis in the fourth quarter, exceeding the year-on-year growth of 66.5% in the third quarter. Its online sales in the fourth quarter also increased by 57.9% compared with those in the same period of FY2018/19. Due to the market's positive response to the Group's cooperation with Shopee last year, the Group started cooperating with Lazada, a well-known third-party platform in Southeast Asia, at the end of March to further expand its customer base and source of revenue.

In Mainland China, the Group's retail business recorded year-on-year growth of 102.2% in sales for the fourth quarter, and an increase of 4.9% compared with those in the same period of FY2018/19, mainly on the back of retail network expansion. In Malaysia, the Group's business was still seriously affected by the COVID-19 pandemic, so it recorded a year-on-year decrease of 28.9% in sales for the fourth quarter.

For the fourth quarter, the Group's retail and wholesale turnover in other markets outside the Hong Kong and Macau SARs (including Mainland China, Malaysia and e-commerce) increased by 49.7% year on year and increased by 6.7% compared with that in the same period of FY2018/19.

Number of Retail Outlets by Market (Continuing operations)

	As at 31 March 2021	As at 31 December 2020	As at 31 March 2020
Hong Kong and Macau SARs	100	103	112
Mainland China	57	54	44
Malaysia	75	77	79
Total	232	234	235

Remarks: Figures in this announcement include adjustments in accordance with the Hong Kong International Financial Reporting Interpretation Committee – Interpretation 13 on the bonus point scheme.

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, 15 April 2021

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)

Dr LOOK Guy (Chief Financial Officer)

Ms KWOK Sze Wai Melody

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*