



Sa Sa Announces Unaudited Sales Updates for the First Quarter (April to June 2022) of FY2022/23

Highlights

The Group (Retail and Wholesale)			
Three months ended 30 June 2022	Turnover (HK\$ million)	YoY% change (in local currency terms)	Compared with the same period in FY2018/19 (in local currency terms)
Hong Kong and Macau SARs	506.6	- 10.1%	- 71.9%
Online business	157.3	- 3.4%	+ 58.4%
Mainland China	60.3	- 16.2%	- 12.6%
Malaysia	76.2	+ 108.1%	- 8.8%
The Group's total turnover (in Hong Kong Dollar terms)	800.4	- 4.6%	- 61.2%

Operations in Hong Kong and Macau SARs (Retail Sales)	
Three months ended 30 June 2022	YoY% change
Same-store sales	- 4.2%
Average sales per transaction	- 1.8%
Total no. of transactions	- 8.1%

(14 July 2022 - HONG KONG) - **Sa Sa International Holdings Limited** ("Sa Sa" or the "Group", stock code: 0178) announced today the unaudited sales updates of the Group for the first quarter from 1 April to 30 June 2022.

For the first quarter from 1 April to 30 June 2022, the Group's retail and wholesale turnover decreased by 4.6% year on year. Compared with the same period of the financial year of 2018/19 before the COVID-19 pandemic ("pre-pandemic period"), the Group's turnover declined by 61.2%. The decrease was 58.2% in the previous quarter.

The retail and wholesale turnover at the Group's operations in the Hong Kong and Macau SARs decreased by 10.1% year on year in the first quarter, while same-store sales dropped by 4.2%. **Dr Simon Kwok, SBS, JP, Chairman and Chief Executive Officer of the Group**, said, "Despite the reduction in the number of physical stores and the protracted fifth wave of pandemic, the Hong Kong SAR market still managed to deliver double digit sales growth for the quarter, thanks mainly to the timely introduction of promotional campaigns by the Group to capitalise on the Government's Consumption Voucher Scheme to attract consumers. Same-store sales in the Hong Kong SAR registered outstanding performance in April, with a year-on-year increase of over 40%, and double-digit same-store sales growth was sustained in May and June."

However, business in the Macau SAR was severely hit by the COVID-19 pandemic. Guangdong Province had an outbreak that started in March and local confirmed cases were later found in the Macau SAR in mid-June, leading to a sharp decrease in Mainland tourist arrivals and a substantial decline in sales in the Macau SAR for the first quarter.

The Group's online business recorded a 3.4% year-on-year decrease in sales in the first quarter, mainly due to the pandemic outbreak in Mainland China, which led to partial or complete lockdowns in different regions. The lockdowns had a significant impact on cross-border logistics and restocking at the Group's e-commerce warehouses on the Mainland. The slowdown in cross-border logistics also delayed the end-to-end delivery of goods from the Hong Kong SAR to our Mainland customers, particularly during the "618 Shopping Festival". Nevertheless, sales of online business in the Hong Kong SAR more than doubled year on year, driven by the Group's own online store.

In Mainland China, the Group's sales and same-store sales decreased by 16.2% and 22.1% respectively in the first quarter, mainly due to the pandemic outbreak and weak consumption. As part of the Group's measures to enhance profitability through rationalisation of its store network on the Mainland, it closed six loss-making stores during the quarter. However, Mainland China remains an important market for Sa Sa. In the near term, the Group will continue to optimise its store network according to the stores' operating performance and profitability, and strictly control overall costs to minimise losses, so as to retain resources to support sustainable development of its business in Mainland China for the long run.

The Malaysian government changed its strategies for fighting the pandemic, and the Group's business rebounded strongly. The first-quarter sales there grew 108.1% year on year, partly due to the extremely low base of June last year as a result of lockdowns amid the pandemic. The sales had returned to over 90% of the pre-pandemic level in the same period of the financial year of 2018/19.

The Group has sufficient liquidity and loan facilities to meet the operational needs of its business. As at 30 June 2022, the Group had net cash of HK\$125.2 million and total available loan facilities of approximately HK\$480 million (including HK\$280 million from banks and HK\$200 million from the Group's controlling shareholders).

Number of Retail Outlets by Market

	As at 30 June 2022	As at 31 March 2022	As at 30 June 2021
Hong Kong and Macau SARs	82	85	98
Mainland China	71	77	61
Malaysia	70	72	75
Total	223	234	234

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