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## **SA SA INTERNATIONAL HOLDINGS LIMITED**

**莎莎國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 178)**

### **Voluntary Announcement**

#### **Closure of all stores in Taiwan**

The board of directors of Sa Sa International Holdings Limited (the “Company”, and its subsidiaries, the “Group”) (the “Board”) announced today that it has decided to rationalise its business by closing all stores in Taiwan to concentrate its resources on mainland China, Hong Kong, Macau, Singapore and Malaysia markets as well as its e-commerce business. It is expected that the stores in Taiwan will be closed on 31 March 2018.

Taiwan Branch is a branch office of a wholly-owned subsidiary of the Company, the full name of which is Sa Sa International (Taiwan) Limited.

The economy and retail markets of mainland China, Hong Kong and Macau are poised to benefit from the impending opening of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and Hong Kong-Zhuhai-Macao Bridge, and national policies including the development of the Guangdong-Hong Kong-Macao Bay Area and the Belt and Road Initiative. To more fully capture the opportunities that will arise from such developments, the Board has decided to reorganise its business proactively by closing its loss-making operations in Taiwan to step up its efforts to enhance its operations in mainland China, Hong Kong, Macau, Singapore and Malaysia and to put more focus on the development of its e-commerce business.

The Group's performance in Taiwan has recorded losses for six consecutive years and has been persistently weak. For the 10 months ended 31 January 2018, turnover of its operations in Taiwan decreased by 11.5% in local currency terms year on year to HK\$154.3 million. The Group took measures to reorganise the management team of its operations in Taiwan to enhance operational efficiency and reduce costs and with the aim of narrowing its losses, but the results were unsatisfactory. After careful consideration, the Board believes that the closure of its business in Taiwan will help improve its overall business performance and resource utilisation and serves the best interests of the Group and the shareholders as a whole.

The number of affected employees is approximately 260 and they will be compensated according to local labor regulations. While the closure of all the stores in Taiwan will result

in a loss, it will not have a significant adverse effect on the Group's financial performance and operations as the Taiwan market only accounts for a small portion of the Group's turnover (2.5% for the six months ended 30 September 2017).

As none of the applicable percentage ratios defined in Rule 14.04(9) of Listing Rules in respect of the Taiwan Branch is more than 5% and terminating all operating leases in Taiwan does not have a significant impact on the operations of the Company, this announcement is published voluntarily.

By order of the board of directors  
**Sa Sa International Holdings Limited**  
**KWOK Siu Ming Simon**  
*Chairman and Chief Executive Officer*

Hong Kong, 21 February 2018

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)

***Non-executive Director***

Ms LEE Yun Chun Marie-Christine

***Independent non-executive Directors***

Ms TAM Wai Chu Maria, *GBM, GBS, JP*

Ms KI Man Fung Leonie, *GBS, JP*

Mr TAN Wee Seng