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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)**

## **Unaudited Sales Updates in Hong Kong and Macau During the 2019 Chinese New Year Period**

The board of directors of Sa Sa International Holdings Limited (the “**Company**”) announces the unaudited sales updates of the retail business of the Company and its subsidiaries (the “**Group**”) in Hong Kong and Macau during the Chinese New Year (the “**CNY Period**”) from 5 February to 11 February 2019 <sup>(1)</sup>.

<b>Hong Kong and Macau – Retail</b>	<b>Year-on-Year Change during the CNY Period 2019 <sup>(1)</sup></b>
<b>Retail sales</b>	-4.8%
<b>Same store sales</b>	-7.9%

The Group’s retail sales in Hong Kong and Macau during the CNY Period <sup>(1)</sup> decreased by 4.8% compared with last year.

In Hong Kong market, retail sales decreased by 5.0%. According to the Hong Kong Immigration Department, the number of mainland tourist arrivals increased by 31.6% on a year-on-year basis during the CNY Period <sup>(2)</sup>. However, the big rise in their visitation did not materialise in terms of sales as the mainland tourists were more reserved in shopping. The total number of transactions dropped by 2.8% with mainland tourists and local customers transactions declining by 3.4% and 1.6% respectively. The total average sales per transaction dipped 2.3%, resulting from 3.6% decline from mainland tourists, as well as 3.0% growth from local customers. Overall performance was weaker than expected due to the effect of various factors affecting consumption sentiment including the Sino-US trade war and fluctuations from the stock and property markets. The high base in the same period last year was a contributory factor.

To address the current weakness in consumer sentiment and changes in customer behaviour, the Group will strengthen its promotional efforts to stimulate sales, including launching joint promotions with various payment solution providers. In addition, the Group will closely track the market trend to adjust its business strategies on a timely basis. It will improve the procurement sources and optimise product offerings by introducing new high-volume trendy products to drive store traffic and boost sales. At the same time, the Group will eliminate low productivity products to mitigate inventory cost and enhance the operational effectiveness. In the long run, the Group believes that the favourable policies and infrastructure development of the Greater Bay Area will drive the flow of people and prosperity of retail industry in the region. The Group will actively seize the opportunities brought by the Greater Bay Area to achieve sustainable business development.

*Remarks:*

- (1) *For the first seven days of 2019 CNY Period (5 February to 11 February 2019) as compared to that of the corresponding period last year (16 February to 22 February 2018).*
- (2) *Hong Kong Immigration Department's statistics on Passenger Traffic covers the period from 4 February to 10 February 2019.*
- (3) *Figures in the above table include adjustments according to 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 overall performance of 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, 13 February 2019

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, SBS, JP*

Mr TAN Wee Seng