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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
for the First Quarter ended 30 June 2019**

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 first quarter from 1 April to 30 June 2019.

Highlights	
Group - Retail and Wholesale (Continuing operations)	
	<i>3 months ended 30 June 2019</i>
Turnover (HK\$ million)	1,886.1
YoY % change	-10.8%
HK and Macau - Retail and Wholesale	
Turnover (HK\$ million)	1,583.1
YoY% change	-12.0%
Same store sales YoY % change	-15.3%
Average sales per transaction (HK\$)	341
YoY % change	-5.2%
Total no. of transactions (million)	4.6
YoY % change	-8.0%

For the first quarter from 1 April to 30 June 2019, the Group’s retail and wholesale turnover decreased by 10.8% on a year-on-year basis.

In Hong Kong and Macau markets, the retail and wholesale turnover decreased by 12.0%, while same store sales dropped by 15.3%. The decline was mainly caused by the 8.0% drop in the total transaction volume, of which the number of transactions of local customers and mainland tourists decreased by 1.6% and 12.9% respectively. The average sales per transaction declined by 5.2%, of which the average sales per transaction of local customers and mainland tourists decreased by 1.2% and 3.8% respectively.

Despite the sales weakness in the first quarter, retail sales in Hong Kong and Macau markets gradually improved from April to the first week of June following our continuous efforts made to boost sales. However, social issues started in the second week of June and affected the business at some of the Company's retail stores. This depressed sales for the rest of the month. The high base effect from the same period last year also affected the growth in the first quarter.

In view of the prevailing poor social atmosphere and cautious consumer sentiment, we have been adopting flexible business strategies to face the challenges ahead. Currently, we are adjusting the product portfolio to adapt to the changing consumer preferences and competitive landscape. We have increased the offerings of high-end products and enhanced linked sales of our own brand products to boost sales and to improve gross profit as well as profitability. Meanwhile, we will remain sensitive to product trends and launch new products on a timely basis in order to exploit more business opportunities and enrich product portfolio to fulfil customer needs. We will also continue to expand our wholesale distribution channels with the aim to seize more market share and increase revenue contribution from our exclusive products.

Looking ahead, if the atmosphere is not alleviated, economy will still be affected. The Group will proactively adopt flexible business strategies and step up efforts in developing online-to-offline business to maintain sustainable business growth.

The Group's retail and wholesale turnover in other markets outside Hong Kong and Macau (including Mainland China, Singapore, Malaysia and E-commerce) decreased by 3.6% in the first quarter.

Number of Retail Outlets by Market (Continuing operations)

	As at 30 June 2019	As at 31 March 2019	As at 30 June 2018
Hong Kong and Macau	117	118	117
Mainland China	52	54	54
Singapore	21	21	22
Malaysia	82	81	75
Total	272	274	268

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 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, 11 July 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