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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 Second Quarter ended 30 September 2018 and  
National Day Golden Week Holiday in 2018**

The board of directors of Sa Sa International Holdings Limited (the “Company”) announces the unaudited sales updates of the Company and its subsidiaries (the “Group”) for the second quarter from 1 July to 30 September 2018.

<b>Highlights</b>	
<b>Group - Retail and Wholesale (Continuing operations)</b>	
	<i>3 months ended 30 September 2018</i>
Turnover (HK\$ million)	2,032.9
YoY % change	+8.5%
<b>HK and Macau - Retail and Wholesale</b>	
Turnover (HK\$ million)	1,725.6
YoY% change	+9.6%
Same store sales YoY % change	+7.1%
Average sales per transaction (HK\$)	345
YoY % change	+2.7%
Total no. of transactions (million)	5.0
YoY % change	+7.2%

For the second quarter from 1 July to 30 September 2018, the Group’s retail and wholesale turnover increased by 8.5% on a year-on-year basis. The retail and wholesale turnover in Hong Kong and Macau markets increased by 9.6%, while same store sales increased by 7.1%. The number of Mainland visitors to Hong Kong recorded a double-digit growth, which led to a 16.7% increase in the transaction volume of mainland tourists at the Group’s stores in Hong Kong and Macau. Although the number of transactions of local customers fell slightly by 2.1%, the overall transaction volume still recorded a growth of 7.2%. However, the average sales per transaction of local and mainland tourists demonstrated a converse movement. The average sales per transaction of local customers increased by 2.8% while that of mainland tourists dropped by 2.0%.

Consumer sentiment turned weaker due to the continuous fluctuations in both RMB exchange rate and stock market under the shadow of the Sino-US Trade War. The adverse effect of typhoon signal No. 10 and poor weather in late September caused serious impact on local transportation and store traffic. The sales performance in Hong Kong and Macau was severely affected and declined by around 20% for one full week, and sales weakness lingered for another week although the impact was not as significant. As a result, the sales of the whole month of September was flat. All the above factors resulted in slower sales growth in the second quarter as compared to the first quarter.

The Group's retail sales in Hong Kong and Macau recorded an increase of 7.4% for the National Day Golden Week Holiday from 1 to 7 October 2018, while the same store sales increased by 2.8%. The number of transactions increased by 10.0% while the average sales per transaction dropped by 2.4%.

The Group remains optimistic towards the outlook of Hong Kong and Macau markets. Since the launch of the Hong Kong Section of the Express Railway Link on 23 September 2018, the Group's stores located in the Hong Kong West Kowloon station and the neighbouring Tsim Sha Tsui district have been reporting satisfactory sales performance.

The launch of the Hong Kong-Zhuhai-Macau Bridge by the end of this calendar year, as well as the completion of various mega infrastructure projects within the Greater Bay Area in the coming two to three years, together with the supportive policies for the movement of talents in recent months will facilitate the flow of people, goods, capital and information in the region. The retail industry in Hong Kong has already started to enjoy higher traffic and the Group will continue to leverage on its strength to capitalize on these rising opportunities in the future.

The Group's retail and wholesale turnover in other markets outside Hong Kong and Macau (including Mainland China, Singapore, Malaysia and E-commerce) increased by 2.8% in the second quarter.

#### **Number of Stores/Counters by Market (Continuing operations)**

	<b>As at 30 September 2018</b>	<b>As at 30 June 2018</b>	<b>As at 30 September 2017</b>
Hong Kong and Macau	120*	117*	116*
Mainland China	54	54	54
Singapore	22	22	19
Malaysia	77	75	73
<b>Total</b>	<b>273</b>	<b>268</b>	<b>262</b>

\* Include one single-brand store

*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, 18 October 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, SBS, JP*

Mr TAN Wee Seng