



Sa Sa Announces Unaudited Sales Updates for the Third Quarter (October to December 2018) of FY2018/19

Highlights

Group - Retail and Wholesale (Continuing operations)

	3 months ended 31 December 2018	9 months ended 31 December 2018
Turnover (HK\$ million)	2,185.9	6,333.1
YoY% change	-2.2%	+9.2%

HK and Macau - Retail and Wholesale

Turnover (HK\$ million)	1,838.0	5,363.5
YoY% change	-2.8%	+10.0%
Same store sales YoY % change	-3.7%	+8.3%
Average sales per transaction (HK\$)	358	354
YoY% change	-2.6%	+3.3%
Total no. of transactions (million)	5.1	15.0
YoY% change	+0.4%	+7.0%

(10 January 2019 - HONG KONG) - **Sa Sa International Holdings Limited** ('Sa Sa' or the 'Group', stock code: 0178) announced today the unaudited sales update of the Group for the third quarter from 1 October to 31 December 2018.

For the third quarter from 1 October to 31 December 2018, the Group's retail and wholesale turnover decreased by 2.2% on a year-on-year basis.

In Hong Kong and Macau markets, the retail and wholesale turnover decreased by 2.8%, while same store sales dropped by 3.7%. Transaction volume of mainland tourists increased by 5.8% while that of local customers decreased by 5.2%, leading to a slight growth of 0.4% in the overall transaction volume. The average sales per transaction of local consumers and mainland tourists decreased by 0.2% and 6.1% respectively on a year-on-year basis which resulted in a 2.6% decline in total.

Consumer sentiment remained sluggish due to the weaknesses in RMB exchange rate and stock market under the continued shadow of the Sino-US trade war. In addition, the new E-commerce Law passed by the Chinese government in August 2018 came into force early this year and made Daigou traders more cautious in running their businesses. The Group's sales performance was affected and negative growth was recorded in both retail sales and same store sales in Hong Kong and Macau markets in November and December.

Dr Simon Kwok, SBS, JP, Chairman and Chief Executive Officer of the Group, said, “Since the launch of the Hong Kong Section of the Express Railway Link, 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. However, the Group noted that the increased influx of Mainland tourists via the Hong Kong-Zhuhai-Macau Bridge were mainly sightseeing trippers with limited purchasing power and barely contributed to the Group’s overall sales in Hong Kong market. Nevertheless, the Group believes the two mega infrastructure projects will attract more mainland travellers with higher consumption when they are gradually consummated. The Group remains optimistic towards the outlook of Hong Kong and Macau markets in the middle to long run under the favourable development of the Greater Bay Area. Under the current weaker economic circumstance, the Group will adopt multiple measures to convert challenges into opportunities. The Group will strengthen promotional efforts to gain more brick-and-mortar customers to partially offset the short-term impact from Daigou reduction. It will also optimise product offerings and launch new products on a timely basis to cater for rapidly changing consumer preferences. Digitalisation and information technology enhancement will be sped up to improve operational efficiency and shopping experience. In addition, the Group will seize the opportunities brought by the Greater Bay Area to achieve sustainable business development for the Group.”

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 1.3% in the third quarter.

Number of Retail Outlets by Market (Continuing operations)

	As at 31 December 2018	As at 31 December 2017	As at 30 September 2018
Hong Kong and Macau	119	119	120
Mainland China	54	56	54
Singapore	21	19	22
Malaysia	78	75	77
Total	272	269	273

Remarks: Figures in this document include adjustments in accordance with the Hong Kong International Financial Reporting Interpretation Committee – Interpretation 13 on the bonus point scheme.

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