



## Sa Sa Announces Unaudited Sales Updates for the Second Quarter (July to September 2018) of FY2018/19 and National Day Golden Week Holiday in 2018

### Highlights

#### **Group - Retail and Wholesale (Continuing operations)**

	<b><i>3 months ended 30 September 2018</i></b>
Turnover (HK\$ million)	2,032.9
YoY % change	+8.5%

#### **HK and Macau - Retail and Wholesale**

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%

(18 October 2018 – HONG KONG) – **Sa Sa International Holdings Limited** ('Sa Sa' or the 'Group', stock code: 0178) announced today the unaudited sales updates of the Group for the second quarter from 1 July to 30 September 2018 and National Day Golden Week Holiday in 2018.

The Group's retail and wholesale turnover for the second quarter 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%.

**Dr Simon Kwok, SBS, JP, Chairman and Chief Executive Officer of the Group**, said, "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 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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