



## **Sa Sa rationalises business by closing all its stores in Taiwan to concentrate resources on other markets**

(21 February 2018, Hong Kong) – **Sa Sa International Holdings Limited** (“Sa Sa” or the “Group”, stock code:0178) announced today that it has decided to rationalise its business by closing all its stores in Taiwan to concentrate its resources on mainland China, Hong Kong, Macau, Singapore and Malaysia markets as well as its e-commerce business. It is expected that the stores in Taiwan will be closed by 31 March 2018

The economy and retail markets of mainland China, Hong Kong and Macau are poised to benefit from the impending opening of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and Hong Kong-Zhuhai-Macao Bridge, and national policies including the development of the Guangdong-Hong Kong-Macao Bay Area and the Belt and Road Initiative. To more fully capture the opportunities that will arise from such developments, the Group has decided to reorganise its business proactively by closing its loss-making operations in Taiwan to step up its efforts to enhance its operations in mainland China, Hong Kong, Macau, Singapore and Malaysia and to put more focus on the development of its e-commerce business.

The Group's performance in Taiwan has recorded losses for six consecutive years and has been persistently weak. For the 10 months ended 31 January 2018, turnover of its operations in Taiwan decreased by 11.5% in local currency terms year on year to HK\$154.3 million. The Group took measures to reorganise the management team of its operations in Taiwan to enhance operational efficiency and reduce costs and with the aim of narrowing its losses, but the results were unsatisfactory. After careful consideration, the Group believes that the closure of its business in Taiwan will help improve its overall business performance and resource utilisation and serves the best interests of the Group and the shareholders as a whole.

The number of affected employees is approximately 260 and they will be compensated according to local labor regulations. While, the closure of all the stores in Taiwan will result in a loss, it will not have a significant adverse effect on the Group's financial performance and operations as the Taiwan market only accounts for a small portion of the Group's turnover (2.5% for the six months ended 30 September 2017).

**Dr. Simon Kwok, SBS, JP, Chairman and Chief Executive Officer of Sa Sa**, said, “The Group's performance in Taiwan has been persistently weak, and the possibility of improvements is low into the foreseeable future. Having considered the interests of the Group and the shareholders, we decide to close our business in Taiwan so that we can concentrate our resources on other markets and businesses. Sa Sa will rationalise its resources to gear up for opportunities in the remaining markets. The move underlines our determination to strive for better returns to the shareholders.”

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