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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 Third Quarter ended 31 December 2016

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 third quarter from 1 October to 31 December 2016.

Highlights		
Group - Retail and Wholesale		
	<i>3 months ended 31 December 2016</i>	<i>9 months ended 31 December 2016</i>
Turnover (HK\$ million)	2,161.4	5,789.4
YoY% change	+0.9%	-2.2%
HK and Macau - Retail and Wholesale		
Turnover (HK\$ million)	1,759.2	4,696.2
YoY% change	+1.1%	-2.0%
Same store sales YoY % change	-2.0%	-3.0%
Average sales per transaction (HK\$)	360	334
YoY% change	-1.6%	-4.2%
Total no. of transactions (million)	4.8	13.9
YoY% change	+2.6%	+2.4%

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

For the third quarter from 1 October to 31 December 2016, the Group’s retail and wholesale turnover increased by 0.9% on a year-on-year basis. The Group’s retail and wholesale turnover in other markets outside Hong Kong and Macau (including Mainland China, Singapore, Malaysia, Taiwan and sasa.com) remained flat for the same period.

Following the gradual tapering of year-on-year retail sales decline in the first and second quarters in Hong Kong and Macau markets, the same store sales in the third quarter decreased by 2.0% while retail sales increased by 1.0% on a year-on-year basis. Sales mainly benefited from the traffic growth of Mainland Chinese customers driving a 5.4% increase in the number

of transactions while that of local customers remained flat. The average sales per transaction of local customers and Mainland Chinese customers increased by 0.2% and decreased by 3.6% respectively.

The improvements in sales performances are due to the Group's ongoing efforts to adjust product offerings to adapt to market demand for trendy products. This resulted in continued downward pressure on gross profit margin for the quarter.

Number of Stores/Counters by Market

	As at 31 December 2016	As at 30 September 2016
Hong Kong and Macau	115*	113*
Mainland China	56	53
Singapore	21	23
Malaysia	73*	68*
Taiwan	25	26
Total	290	283

* Include one single-brand store/ counter

The board of directors wishes to remind shareholders and potential investors that the above information are 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, 16 January 2017

As at the date of this announcement, the directors of the Company are:

Executive Directors

Dr KWOK Siu Ming Simon, *BBS, JP* (Chairman and chief executive officer)

Dr KWOK LAW Kwai Chun Eleanor, *BBS* (Vice-chairman)

Dr LOOK Guy (Chief financial officer)

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Independent non-executive Directors

Dr LEUNG Kwok Fai Thomas, *PhD, BBS, JP*

Ms TAM Wai Chu Maria, *GBM, GBS, JP*

Ms KI Man Fung Leonie, *GBS, JP*

Mr TAN Wee Seng