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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 2016 and  
National Day Golden Week Holiday in 2016**

The board of directors of Sa Sa International Holdings Limited (the “Company”) announces the unaudited sales update of the Company and its subsidiaries (the “Group”) for the second quarter from 1 July to 30 September 2016.

<b>Highlights</b>	
<b>Group - Retail and Wholesale</b>	
	<i>3 months ended 30 September 2016</i>
Turnover (HK\$ million)	1,910.9
YoY % change	-2.3%
<b>HK and Macau - Retail and Wholesale</b>	
Turnover (HK\$ million)	1,552.0
YoY% change	-2.2%
Same store sales YoY % change	-2.5%
Average sales per transaction (HK\$)	326
YoY % change	-5.8%
Total no. of transactions (million)	4.7
YoY % change	+3.9%

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 second quarter from 1 July to 30 September 2016, the Group’s retail and wholesale turnover decreased by 2.3% on a year-on-year basis. The Group’s retail and wholesale turnover in other markets (including Mainland China, Singapore, Malaysia, Taiwan and sasa.com) recorded a drop of 2.9% for the same period.

The Group’s retail sales decline in Hong Kong and Macau markets tapered off compared to last quarter, with total retail sales declining by 2.0% while same store sales decreased by 2.5% on a year-on-year basis. The number of transactions increased by 3.9% due to traffic growth. The number of transactions of local customers and Mainland Chinese customers increased by

1.8% and 5.9% respectively, while their average sales per transaction decreased by 5.5% and 6.9% respectively.

The improvements in sales performances are due to the Group's efforts to adjust product offerings to adapt to market demand for trendy products, the resulting change in product mix has intensified the downward pressure on gross profit margin for the quarter.

#### Number of Stores/Counters by Market

	As at 30 September 2016	As at 30 June 2016
Hong Kong and Macau	113*	112*
Mainland China	53	55
Singapore	23	23
Malaysia	68*	67*
Taiwan	26	31
<b>Total</b>	<b>283</b>	<b>288</b>

\* Include one single-brand store/ counter

For the National Day Golden Week Holiday from 1 to 7 October 2016, the Group's retail sales in Hong Kong and Macau recorded a positive growth of 13.8%, and the same store sales increased by 12.4%. Benefiting from the increase of Mainland Chinese tourist arrivals, the number of transactions of Mainland Chinese customers increased by 19.1%, while average sales per transaction decreased by 4.7%.^

^ Figures in the above exclude adjustments according to 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 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, 24 October 2016

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***

Professor CHAN Yuk Shee, *PhD, SBS, BBS, JP*

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