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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 2017 and
National Day Golden Week Holiday 2017**

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 2017.

Highlights	
Group - Retail and Wholesale	
	<i>3 months ended 30 September 2017</i>
Turnover (HK\$ million)	1,918.4
YoY % change	+1.1%
HK and Macau - Retail and Wholesale	
Turnover (HK\$ million)	1,573.9
YoY% change	+2.2%
Same store sales YoY % change	-1.8%
Average sales per transaction (HK\$)	336
YoY % change	+4.0%
Total no. of transactions (million)	4.6
YoY % change	-1.8%

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 2017, the Group’s retail and wholesale turnover increased by 1.1% on a year-on-year basis. The Group’s retail sales in Hong Kong and Macau markets increased by 2.1%, while same store sales decreased by 1.8% due to the recent stores relocation in tourist areas. The overall sales performance was below our expectation due to a number of typhoons and poor weather which took place in this quarter, resulting in weaker store traffic and tourist number. The number of transactions reduced by 1.8%, that of local and mainland tourist decreased by 1.1% and 2.5% respectively, while the average sales per transaction increased by 5.9% and 3.8% respectively.

For the markets outside of Hong Kong and Macau, Mainland China, Singapore and Malaysia recorded growth of 5.9%, 4.2% and 0.5% in turnover respectively, while Taiwan and E-commerce recorded 4.1% and 15.5% decline in turnover respectively.

Operating efficiency of the two markets in Mainland China and E-commerce had consistently improved in the second quarter, noticeably narrowing down their operating losses. And the house brand mix and gross profit margin of our Hong Kong and Macau markets had also continuously improved in this quarter. However, the Group's weaker-than-expected sales performance in the first half year together with the additional costs arising from warehouse relocation in Hong Kong and brand promotion had offset these positive impacts. Nevertheless, the Group stays cautiously optimistic about the outlook of Hong Kong and Macau markets in the second half year and will continue to optimise product offerings and enhance customers' shopping experience to cater for the demand in the fast changing market.

Number of Stores/Counters by Market

	As at 30 September 2017	As at 30 September 2016	As at 30 June 2017
Hong Kong and Macau	116*	113*	116*
Mainland China	54	53	53
Singapore	19	23	20
Malaysia	73	68*	72
Taiwan	21	26	23
Total	283	283	284

* *Include one single-brand store/ counter*

Besides, for the National Day Golden Week Holiday from 1 to 7 October 2017, the Group's retail sales in Hong Kong and Macau recorded increase of approximate 3%^, while the same store sales remained flat. The average sales per transaction of Mainland customers increased by approximately 3% ^ while the number of transactions stayed flat.

^ *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, 22 October 2017

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

Executive Directors

Dr KWOK Siu Ming Simon, *SBS, JP* (Chairman and Chief Executive Officer)

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

Dr LOOK Guy (Chief Financial Officer)

Non-executive Director

Ms LEE Yun Chun Marie-Christine

Independent non-executive Directors

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

Ms KI Man Fung Leonie, *GBS, JP*

Mr TAN Wee Seng