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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)

Voluntary Announcement Unaudited Retail Sales Update in Hong Kong and Macau over the Chinese New Year Period 2015

This announcement is made by the board of directors of Sa Sa International Holdings Limited (the “Company”) on a voluntary basis to inform shareholders and potential investors about the sales performance of the retail business of the Company and its subsidiaries (the “Group”) in Hong Kong and Macau during the Chinese New Year (the “CNY Period”) from 19 to 25 February 2015⁽¹⁾.

Hong Kong and Macau – Retail	Year-on-Year Change in the First Seven Days of the CNY Period ⁽¹⁾
Retail sales	-10%
Same store sales	-7%

The Group’s retail sales in Hong Kong and Macau during the CNY Period⁽¹⁾ decreased by 10% compared with last year, falling short of the Group’s expectations. The Group’s number of transactions attributable to Mainland tourists grew by 5% during the CNY Period despite a decrease in their arrivals in Hong Kong during this period as announced by the Immigration Department of Hong Kong. The growth in transactions was offset by a 15% decrease in average sales of transaction attributable to them, resulting in an 11% drop of sales to Mainland customers. It seems that the effect of the Chinese New Year and golden week holidays has faded out.

The shift of the timing of Chinese New Year from January last year to February this year extended the festive shopping season, and benefited the overall retail sales performance for January and February of this year. The Group’s retail sales growth and same store sales growth in Hong Kong and Macau for the fourth quarter⁽²⁾ to 28 February 2015 were 3% and 7% year-on-year respectively. Sales attributable to the Mainland customers grew by 6% year-on-year, as the number of transactions increased by 23% and average sales per transaction decreased by 14%.

Remarks:

- (1) For the first seven days of 2015 CNY Period (i.e. 19 to 25 February 2015) as compared to that of the corresponding period last year (i.e. 31 January to 6 February 2014).
- (2) i.e. 1 January to 31 March 2015.
- (3) The above data excludes adjustments according to Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 on the bonus points scheme.

The board of directors wishes to remind shareholders and potential investors that the above data are based on the unaudited management accounts of the Group which have not been reviewed or audited by the auditors of the Company. Sales performance during the CNY Period and the quarter to date are affected by a series of factors, therefore, the operational data for the said periods may not be able to reflect the overall performance for a complete reporting period.

Shareholders and potential investors of the Company are cautioned not to unduly rely on such data and are advised to exercise caution when dealing in the shares of the Company.

By order of the board of directors
KWOK Siu Ming Simon
Chairman and chief executive officer
Sa Sa International Holdings Limited

Hong Kong, 3 March 2015

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, JP*

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

Ms TAM Wai Chu Maria, *GBM, JP*

Ms KI Man Fung Leonie, *SBS, JP*

Mr TAN Wee Seng