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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)

2014 Chinese New Year Retail Sales Performance in Hong Kong and Macau

This announcement is made by the Company on a voluntary basis to inform shareholders and potential investors about the retail sales performance in Hong Kong and Macau during the 2014 Chinese New Year (“CNY”).

Compared against a relatively high base of sales growth in the previous CNY, the Group’s retail sales and same store sales in Hong Kong and Macau for the first seven days of the CNY period⁽¹⁾ increased by 6%⁽²⁾ and 3%⁽²⁾, respectively. During this period, a sustained growth in Mainland Chinese tourist arrivals resulted in significant growth in store traffic, giving rise to a nearly 20% increase in sales transactions to Mainland Chinese customers over the corresponding period of the previous year. However, within a drop of nearly 10% in average sales per transaction, the Mainland Chinese tourists manifested a weaker purchasing power this year. We believe that the one-day delay of the CNY holiday⁽³⁾ in Mainland China when compared to the previous year adversely affected the sales performance at the start of the holiday, sales growth gradually picked up strength from the fourth day after CNY, leading to a retail sales growth and same store sales growth of 13%⁽²⁾ and 10%⁽²⁾, respectively, for the period covering the fourth to the tenth day⁽⁴⁾ of the CNY holiday.

The Group’s quarter to date (1 January to 9 February 2014) retail sales growth and same store sales growth in Hong Kong and Macau was 19%⁽²⁾ and 14%⁽²⁾, respectively. The Group remains cautiously optimistic on the Hong Kong and Macau retail market for the rest of the fourth quarter.

- (1) The first seven days of CNY in 2014 (31 January to 6 February) as compared to that of the corresponding period last year (10 to 16 February).
- (2) Exclude adjustments according to Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 on the bonus points scheme.
- (3) National CNY holiday for Mainland China in 2014 and 2013 are the first seven days of CNY (31 January to 6 February) and CNY’s Eve to the sixth day of CNY (9 to 15 February) respectively.
- (4) The fourth to tenth day of CNY in 2014 (3 to 9 February) as compared to that of the corresponding period last year (13 to 19 February).

The Board 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 is affected by a series of factors, therefore, the operational data for the CNY period 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
KWOK Siu Ming Simon
Chairman and chief executive officer

Hong Kong, 11 February 2014

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