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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 Operational Update for the Fourth Quarter ended 31 March 2015

The Board of Directors of Sa Sa International Holdings Limited announces the unaudited operational update of the Company and its subsidiaries (the “Group”) for the fourth quarter from 1 January to 31 March 2015.

| Highlights | |
|--|---|
| Group - Retail and Wholesale | |
| | 3 months ended 31 March 2015 |
| Group turnover (HK\$ million) | 2,243.6 |
| YoY % change | -2.6% |
| HK and Macau - Retail and Wholesale | |
| Retail and wholesale sales (HK\$ million) | 1,837.3 |
| YoY % change | -2.4% |
| Same store sales YoY % change | +0.9% |
| Average sales per transaction (HK\$) | 392 |
| YoY % change | -4.1% |
| Total no. of transactions (million) | 4.6 |
| YoY % change | +2.1% |

Remarks: Figures in the above table exclude adjustments according to the Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 (“HK (IFRIC) - Interpretation 13”) on the bonus point scheme. As reported, the Group’s turnover decreased by 4.3% to HK\$2,270.0 million. For Hong Kong and Macau markets, the retail and wholesale sales and same store sales decreased by 4.6% and 1.6% respectively.

For the fourth quarter from 1 January to 31 March 2015, the Group’s retail and wholesale turnover decreased by 2.6%. Turnover in Hong Kong and Macau market declined by 2.4% while same store sales increased by 0.9%. The number of transactions increased by 2.1%, while the average sales per transaction decreased by 4.1%. The Group’s retail and wholesale turnover in other markets (including Mainland China, Singapore, Malaysia, Taiwan and sasa.com) recorded a drop of 3.8% during the fourth quarter.

The Group had a net increase of two stores in the fourth quarter. Number of stores in Mainland China increased by one, Singapore decreased by one, and Malaysia increased by two, while the number of stores in Hong Kong, Macau and Taiwan remained unchanged. As at 31 March 2015, the Group's retail network amounted to 287 stores, including 6 single-brand stores/counters.

Number of Stores/Counters by Market

| | As at 31 December 2014 | As at 31 March 2015 |
|---------------------|------------------------|---------------------|
| Hong Kong and Macau | 110 [#] | 110 [#] |
| Mainland China | 64 [#] | 65 [#] |
| Singapore | 22 | 21 |
| Malaysia | 57 | 59 |
| Taiwan | 32 | 32 |
| Total | 285 | 287 |

Include 3 single-brand stores/ counters

The overall consumer sentiment for the Hong Kong retail market has been weak since the third quarter. During the fourth quarter, Hong Kong has become less attractive to tourists from Mainland China due to the significant appreciation of Hong Kong dollars compared to a number of other foreign currencies, and this has also led to a negative impact on local consumer spending. The result is that there has been a decline of 2.4% in the Group's retail sales in Hong Kong and Macau market in the fourth quarter while same store sales increased by 0.9%. The number of transactions attributable to Mainland Chinese customers increased by approximately 12%, however, this was more than offset by the decrease in average sales per transaction of approximately 13%, dragging down the overall performance.

For the first quarter of the fiscal year 2015/16 to date[^], the overall consumer sentiment and Mainland Chinese tourist arrivals continued to be adversely affected by a number of factors with no significant signs of improvement. Nonetheless, Mainland Chinese tourist arrivals recorded positive growth again during the three-day Labour Day holiday, and supported by the Hong Kong Government's campaign to boost local consumption, the Group's overall retail sales and same store sales in Hong Kong and Macau market recorded an increase of approximately 7% and approximately 8% respectively. However, the weakness in April and the remarkably weakened traffic before and after the Labour Day holiday meant that the Group's retail sales and same store sales in Hong Kong and Macau market registered a negative growth of approximately 5% and approximately 4% respectively during the first quarter of fiscal year 2015/16 to date[^]. The number of transactions of Mainland Chinese customers increased by approximately 7%, while their average sales per transaction decreased by approximately 15% on a year-on-year basis, continuously affecting the overall retail sales growth of the Group.

Remarks: The above data excludes adjustments according to Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 on the bonus points scheme.

[^] *'The first quarter of fiscal year 2015/16 to date' refers to 1 April 2015 to 10 May 2015*

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 said 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, 11 May 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