

[For Immediate Release]



Sa Sa Announces Unaudited Sales Update for the Second Quarter (July to September 2016) of FY2016/17 and National Day Golden Week Holiday in 2016

Highlights

Group - Retail and Wholesale

	3 months ended 30 September 2016
Turnover (HK\$ million)	1,910.9
YoY% change	-2.3%

Hong Kong and Macau - Retail and Wholesale

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 according to the Hong Kong International Financial Reporting Interpretation Committee – Interpretation 13 on the bonus point scheme.

(24 October 2016 – HONG KONG) – **Sa Sa International Holdings Limited** ('Sa Sa' or the 'Group', stock code: 0178) announced today the unaudited sales update of the Group for the second quarter from 1 July to 30 September 2016 and National Day Golden Week Holiday in 2016.

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.

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
Total	283	288

* Include one single-brand store/ counter

Dr Simon Kwok, BBS, JP, Chairman and Chief Executive Officer of the Group, said, “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.”

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%.”

In addition, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2016, the profit of the Group for the Period is expected to record a decline of approximately 35%-45% as compared to the corresponding period last year. The main reasons for the decline in profits include drop in both sales and gross profit margin of the Hong Kong and Macau operations, weaknesses in some overseas operations and decline in profits of our online operations.

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About Sa Sa International Holdings Limited (莎莎國際控股有限公司)

Sa Sa is a leading cosmetics retailing group in Asia. The Group currently operates over 280 stores and counters in Asia that sell more than 700 brands of make-up, skin care, fragrance and hair care products including its own-brands and other exclusive international brands. The Group employs approximately 5,000 staff in Asia Pacific. Sa Sa has been selected as a constituent stock of the Hang Seng Composite MidCap Index for four consecutive years. It is also an eligible stock for Shanghai-Hong Kong Stock Connect, and is currently selected as a constituent stock of the Hang Seng High Dividend Yield Index.

For further information, please visit <http://corp.sasa.com> or contact:

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