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SA SA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 178)

Unaudited Operational Update for the First Quarter ended 30 June 2012

Highlights

Group - Retail & Wholesale

	<i>3 months ended 30 June 2012</i>
Group turnover (HK\$ million)	1,557.9
YoY % change	+18.5%
Group turnover (HK\$ million) <i>(Excluded adjustments under HK(IFRIC) – Int 13 in respect of bonus points scheme*)</i>	1,586.1
YoY % change	+19.8%

HK & Macau - Retail & Wholesale

Retail & wholesale sales growth (HK\$ million)	1,196.7
YoY % change	+15.1%
Retail & wholesale sales growth (HK\$ million) <i>(Excluded adjustments under HK(IFRIC) – Int 13 in respect of bonus points scheme*)</i>	1,224.1
YoY % change	+16.7%
Same store sales growth	
YoY % change	+12.3%
Same store sales growth <i>(Excluded adjustments under HK(IFRIC) – Int 13 in respect of bonus points scheme*)</i>	
YoY % change	+14.1%
Average sales per transaction (HK\$)	338
YoY % change	+10.8%
Total no. of transactions (million)	3.4
YoY % change	+4.1%

* Adjustments according to Hong Kong International Financial Reporting Interpretation Committee - Interpretation 13 on the bonus points scheme.

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 three months ended 30 June 2012.

For the three months ended 30 June 2012, the Group’s retail and wholesale business maintained steady growth and achieved a year-on-year increase in turnover of 18.5%. During the period, Sa Sa continued to benefit from the growing demand for cosmetics and beauty products, and strengthened penetration in non-traditional tourist areas to better capture opportunities brought by the increasing number of Mainland short-haul tourists. Turnover in Hong Kong and Macau rose 15.1%, with same store sales growth of 12.3%. The number of transactions and average sales per transaction increased by 4.1% and 10.8% respectively.

The Group’s retail and wholesale turnover in markets outside of Hong Kong and Macau (including Mainland China, Singapore, Malaysia, Taiwan and sasa.com) recorded year-on-year growth of 31.5%.

The Group had a net increase of 7 stores and counters to its network in the first quarter, including 3 stores in the Hong Kong and Macau market, 1 store in Singapore, 2 stores in Malaysia and 1 store in Taiwan. As at 30 June 2012, the Group’s retail network had a total of 256 stores, including 21 single-brand counters / stores.

Number of Stores/Counters by Market

	As at 30 June 2012	As at 31 March 2012
Hong Kong & Macau	92*	89*
Mainland China	68#	68##
Singapore	22	21
Malaysia	47	45
Taiwan	27	26
Total	256	249

* Included 2 single-brand stores

Included 19 counters

Included 20 counters

Amidst the lower growth of the Hong Kong retail market, as well as the relatively high base of the Group’s Hong Kong & Macau turnover in the same period last year, the Group was able to maintain reasonable growth in the first quarter. This proved the relatively strong resilience of the cosmetics retail industry, and reflected the Group’s solid foundation and the effectiveness of the adjustment in its business development strategy. As we saw improvement in the sales performance of our Hong Kong & Macau business in June as compared with April and May, we remain optimistic about the sales performance of this fiscal year. We will continue the disciplined and measured store expansion strategy to drive business growth and strengthen brand recognition and operational efficiency. We will also diversify the product mix, sharpen our competitiveness in order to cement the Group’s leading position in the industry.

The Board wishes to remind investors that the above operational data for the three months ended 30 June 2012 are based on the unaudited management accounts of the Group which have not been reviewed or audited by the auditors of the Company.

Shareholders and potential shareholders 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, 10 July 2012

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)

Mr LOOK Guy (Chief financial officer)

Non-executive Director

Mrs LEE LOOK Ngan Kwan Christina

Independent Non-executive Directors

Professor CHAN Yuk Shee, *PhD, BBS, JP*

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

Ms TAM Wai Chu Maria, *GBS, JP*

Ms KI Man Fung Leonie, *SBS, JP*

Mr TAN Wee Seng